THE FINANCIAL POST

The Canadian Newspaper for Businessmen and Investors

Largest Circulation of All Canadian Financial Papers

Vol. XXXV | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, AUGUST 16, 1941 | 10c a Copy; $5.00 a Year | No. 33

Be Sure to Read

Staggered Work Hours . 9
War and Municipalities . 5
Mine Holding Co.'s. 15
The Bread Picture 4

The Nation's Business

If We Are to Ration We Must Plan Too

The resistless pressure of war demands is forcing Ottawa to effect a drastic overhaul of its system of priorities. From now on, Canadians will feel the war more and more in the form of rationing, both rationing of supplies to industry and rationing of goods for civilian consumption.

Action has been forced primarily by shortages developing in the United States, our chief source of supply for many basic products, particularly steel and oil. The American defense production programme is swinging into staggering figures; even the 88 million tons a year steel capacity (more than 30 times Canada's) is insufficient to meet the needs of rearmament. Washington is planning ruthless control of materials to ensure that beating Hitler gets first choice. Canada, which has been ahead of the United States in such matters, would soon lag behind if we did not keep step with a reorganization of our own control of materials.

* * * *

First major move is now being taken in the stepping-up of steel control. Hugh D. Scully has too many other vital responsibilities to continue an enlarged steel control as a part-time job and a full-time controller has been named.

It seems, too, that the War Industries Control Board, which has been a sort of paper organization of the various material controllers, but that has had no more real power or responsibilities than an armchair club, is going to be reconstituted with larger powers to divert strategic supplies to the places they should go.

* * * *

In priorities, as in so many other phases of Canada's war efforts, the basic weaknesses are, first of all, lack of a co-ordinated war plan that could enable us to know just what our NEEDS are in man power and raw materials; secondly, inadequate knowledge of our available RESERVES of man power and materials; and thirdly, lack of a businesslike system to effective USE of what is available.

These difficulties stem from the Prime Minister's failure to set up an inner war cabinet, made up of ministers who would not be pressed down by burdensome routine duties; a group charged with nothing but the responsibility of determining how Canada can best contribute to the defeat of Hitlerism.

* * * *

Such a national cabinet of strategy would need machinery to work through.

The fighting services would declare their needs. Unless the defense chiefs have a clear idea of what kind of a man we are fighting and what tools are needed to fight, all planning is futile.

An organization would then be needed to survey and allot resources of men and materials. The eclipse of the Wartime Requirements Board, was most regrettable. It is more than ever necessary that that board be brought to life again to do the job assigned to it . . .

"*to ensure that* war needs, in the order of their importance, take priority *over all other needs.*"

Next step would be getting fighting equipment made. Canadian industry is doing a grand production job; but only a complacent propagandist would say that we are producing all the war materials we could produce if there were centralized control of war supply under a single, responsible business head, freed from political and other duties and claims.

* * * *

In the field of labor—man power—we have almost no knowledge of available resources, and certainly no plan for their fullest possible use. We are heading into a most acute labor shortage and yet no one is taking even the first step toward surveying the man-hour needs of the war and how they are going to be supplied.

Peace on the labor front, a stabilization of wages, an end to strikes and a clean-out of troublemakers who are serving Hitler's ends—the need for these will be urgently apparent as we run into the man power bottleneck. Ottawa's weaknesses and vacillation in respect to labor troubles have shocked the country. Nothing has more disturbed public confidence than the deliberate sabotage of aluminum production at Arvida. Ottawa smothered the news for days; Mr. Howe blustered about a suspected case of enemy sabotage and promised that "arrests definitely will be made." Some time later, a "conciliator" was leisurely on his way to look into the trouble, while housewives were being urged to sacrifice their old aluminum pots and pans to make up a small fraction of the production lost in an unpunished crime against the security of the nation.

* * * *

A plan to win, a survey of the resources needed to carry out the plan, and quick, wasteless execution of the plan—these are all essentials of an "all-out, national effort."

We can hardly claim to have gone far enough in respect to any one of these matters. That is why our war effort, while generous in its scope, still falls short of the maximum that is possible.

* * * *

'CIVIL LIBERTIES' VS FREEDOM FROM HITLERISM

The "Civil Liberties Association of Toronto" has written the Minister of Justice demanding the release of a so-called "union organizer" from internment and his trial on charges laid against him—before his internment—in connection with a war strike in Toronto.

The Association says that this internment is bound to lead to distrust and suspicion that a man may be interned simply because he "participates in a labor dispute on behalf of a labor organization."

There is no reason for anyone to interpret Ottawa's policy as one of threatening labor leaders. Unions have been given official encouragement, beyond anything they ever dreamed of in peacetime, to organize plants. In addition to encouraging the increase of union strength, Ottawa has by its appeasement policy given encouragement to mischief makers to promote social and economic revolution, in the guise of union organization.

The man whose internment worries the Civil Liberties Association so much is a Communist adherent—once he even nominated a Comintern agent for public office—who led an entirely illegal walk-out in a vital defense war plant.

* * * *

The public generally thinks there is only one way to deal in wartime with such saboteurs and that is to lock them up for the duration. Such a practice is fully in accord with British tradition and has been upheld by the House of Lords. In a war emergency the courts are inadequate to deal with cases where there is strong suspicion that a person is dangerous to the security of the State. In wartime, the Government must not merely punish, it must take precautions, and must be allowed to assume responsibility for determining when a person is one whose freedom is likely to be dangerous to the State. "Civil liberties" are not at stake. War cannot be fought without some suspension of civil rights which can and must be restored when peace comes.

The letterhead of the Civil Liberties Association, which is so exercised about the "liberties" of a man who refused to admit the right of workers to produce the tools to defeat the arch-enemy of all liberties, shows its officers to be:

President: B. K. SANDWELL.
Hon. Sect. Treas.: J. H. OSLER.
Vice-Presidents: E. A. CORBETT. WILLIAM DUNN. MRS. W. L. GRANT. J. M. MACDONNELL.

Dry Spell May Affect Power

Quebec May Experience Shortage if Fall Rains Do Not Fill Up Storage Reservoirs

From Our Own Correspondent

MONTREAL.—Water storage conditions in Quebec have not improved over the past month. Unless there is a change for the better, rationing of the available supply of electrical energy for commercial and domestic purposes is possible during the winter months.

A few weeks ago H. J. Symington, power controller, hinted at this possibility in order to conserve power for war industries. At the time he made his announcement the province had suffered from a period of warm, dry weather which made it necessary for the power operators to draw upon reserves in order to meet power demands.

Since then the situation, while not exactly deteriorating, cannot be said to have improved. Rainfall has been below normal and the amount of water in storage is still under last year's figure, which in turn was below average.

Depend on Storage

The seriousness of the water supply in Quebec can better be appreciated by a realization that some 75% of this province's power is developed along rivers where the water storage is controlled by means of dams and reservoirs. The balance is in plants on the St. Lawrence River where the flow of water is constant.

This means the great industrial areas of Lake St. John, Quebec City, St. Maurice River Valley, the Ottawa River Valley, the Eastern Townships and (to the extent it draws upon the Shawinigan system) the Montreal area, depend upon those power plants which use storage water.

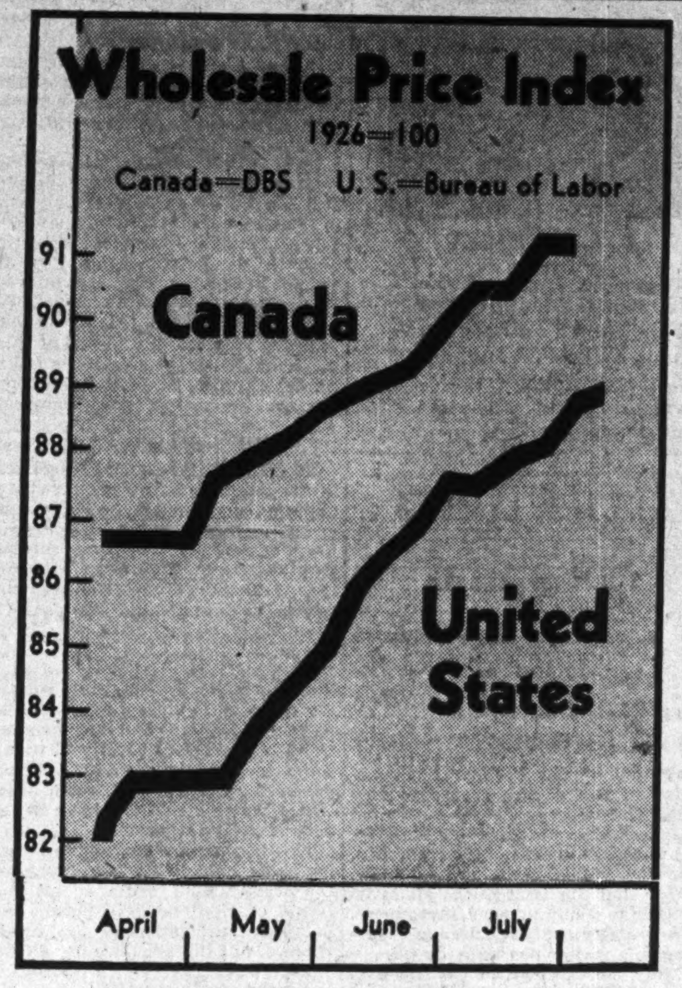
With much of Canada's industrial war effort located in Quebec Province, the regularity and abundance of power supply is vitally important. Especially is this the case in view of the new war plants coming into production this fall and the increasing demands of those already in operation.

While the lack of water has been and is causing concern, the situation has its bright side. On balance the water situation probably is no worse than it was a month ago, despite the lack of rainfall. Moreover it is still too early to arrive at any conclusion as to what is likely to be the power supply situation in the province this winter.

There can be no definite word until the period of the fall rains has passed. After then it will be possible to ascertain accurately how much water is available for power purposes this winter. Also it will then be possible to say whether rationing is necessary.

Until then the situation can only be regarded as one of concern, with the prospect fall rains will increase

(Continued on page 2, col. 5)



This chart shows one set of factors which wave the red flag of inflation. Price controls in both Canada and the United States cover many commodities, but considerable of the rise in Canada is due to things like increased taxes, import costs higher because of "natural" price increases in freight charges, etc. Where these lines go from here is the thing that bothers the price policemen at Ottawa and Washington.

Gas Saving Campaign Cuts 15%

Need is Still Great as Crude Reserves Are Low – Nothing Definite on Rationing

Reasonable satisfaction is expressed with results to date of the "save gasoline" campaign.

This campaign has not yet reached its peak and it is expected to take on new impetus as posters, stickers, pledge cards, etc., are available. There has been delay in getting these delivered.

Estimates of how great the saving has been in gallons since the campaign started in July are not conclusive as yet. One reason is that Canada was in the midst of a sharp upswing in gasoline use which had already taken consumption about 20% above the corresponding months of 1940. In some provinces, gains of as much as 30% were recorded in June.

On the basis of information available, however, it appears that the saving is approximately 15% of the total retail sales. This is probably the equivalent to about 30% of the actual non-essential consumption.

The fact remains, however, that Canada's crude oil shortage is critical. There have been times recently when reserves of crude oil were dangerously low due to sudden demands for war purposes.

Further steps are to be taken by the Oil Controller, it is said. The

(Continued on page 2, col. 3)

Policing Every Ton of Steel

Canada to Adopt Strict Priorities Plan

By STAFF WRITER

OTTAWA. — Drastic restrictions on civilian consumption of steel and an entirely new and rigid priority control of all steel used or produced in Canada is imminent.

Faced with a serious shortage of steel imports from the United States—a war shortage which is currently jeopardizing our $100 millions cargo shipbuilding programme and which will affect every phase of industrial life in Canada—the Government will act at once to set up a rigid system of documentation and certification for every pound of steel needed, and used in Canada. To implement the new policy:

A new advisory committee on steel will be created under the chairmanship of T. M. Hutchison, head of Drummond, McCall & Co., Montreal. It will include vice-presidents of four big steel producing companies—H. G. Hilton, Steel of Canada; C. B. Lang, Dosco; T. F. Rahilly, Algoma Steel; F. A. Sherman, Dominion Foundries & Steel.

The steel control office at Ottawa will be placed under a full-time controller (at present steel control is in charge of Hugh D. Scully, Commissioner of Customs).

The steel control staff and organization will be greatly extended to handle the new rigid priority system.

A separate office of the Canadian steel control will be set up in Washington to tie-in with the new 100% mandatory control of steel which was created in the U. S. last week end.

Serious Shortage

The threat of a serious steel shortage began to loom a few weeks ago. Since July 1 the situation has deteriorated rapidly. Factors chiefly affecting the Canadian situation include:

1. Final realization in the U. S. that a serious steel famine is developing. That shortage is now placed at 11 million tons for 1941. It led to the placing of all steel under full mandatory priority control on Aug. 9. This puts defense orders "uncompromisingly ahead of non-defense needs."

2. Failure of important Canadian sub-contractors to obtain priority ratings for vital needs such as ship steel, thus jeopardizing Canada's chances of obtaining certain steel plates and shapes, even for essential war industry.

3. Criticism in the U. S. that Canada has not put its house in order and that there must be definite and greatly increased evidence of civilian curtailment in Canada if we are to qualify for preferential treatment in respect of defense needs.

4. Objections by some U. S. interests that under the tentative controls which Canada has im-

(Continued on page 2, col. 6)

Predict Big Changes In War Controls

Complete Steel Control Coming — New Control Over Rubber Pending With Restrictions on Civilian Consumption is Forecast

By STAFF WRITER

OTTAWA — Important developments in the field of wartime control are pending. These include:

1. Appointment of a full-time chairman of the War Industries Control Board.

2. Appointment of a full-time steel controller and complete priority control over the entire industry.

3. Setting up of rubber control and curtailment of civilian consumption.

4. Some action by the Cabinet as to co-ordination of existing controls now exercised by various Government departments.

Major responsibility for "economic controls," under the authority of the Department of Munitions and Supply, has rested heretofore with R. A. C. Henry, general manager of Beauharnois Corporation and right-hand man to Hon. C. D. Howe, Minister of the department.

Mr. Henry has lately been called, "Economics Adviser." He is also chairman of the now dormant Wartime Requirements Branch, and is responsible to the minister for the Wartime Industries Control Board.

Because of ill-health, Mr. Henry is no longer able to carry on his duties at Ottawa.

Full-time Job

As well, it is now thought that the control board chairmanship which formerly rested with Hugh D. Scully has become a full-time job.

Mr. Scully has been attempting for some time to carry on his duties as Customs Commissioner in the morning, Steel Controller in the afternoon and above that to be head of the control board (which consists of the individual controllers, metals, chemicals, motor vehicles, ship repairing, timber, machine tools).

As well, Mr. Scully is a member of the Economic Advisory Committee, of the Foreign Exchange Control Board and of several other co-ordinating bodies.

Because of the tremendous expansion in the work of steel controller now made necessary by the introduction of mandatory priorities, the office of steel controller will also be occupied shortly by a full-time chairman.

In rubber, it is probable, that something along the lines of the freezing order respecting silk which was issued last week may be introduced.

Canada's silk control was placed, by that order, in the hands of Plateau Co. which is a secret Crown corporation set up to protect the Government's position in certain raw materials of which silk was one.

There is a similar government company for handling the Government's war commitments in rubber and it is possible that rubber control will be carried out in this way.

See Tight Situation

The U.S. has had mandatory control of rubber for some time now, and it is considered inevitable that Canada must follow suit. The increasing seriousness of the situation in the Far East indicates that domestic consumption of rubber will be considerably curtailed in the near future.

With increasing pressure all along the economic front for extended control, it is likely that some decision will be taken shortly by the Government respecting co-ordination of economic control in Canada.

A report on this subject was submitted recently to the Cabinet by the Economic Advisory Committee. The committee took no definite stand but placed before the Government various alternatives. It did however urge the gravity and need for some type of economic co-ordination.

The plan generally favored is the creation of a separate ministry of prices and supply with power to co-ordinate work now being done by many different agencies. This question was said to have been before the Cabinet last week.

If no general governmental policy is forthcoming then, individual departments will probably content themselves with strengthening their own control branches along the lines outlined above.

See Alaska Highway Project Dead For Now

By STAFF WRITER

OTTAWA.—A few days ago two interested Americans came here to talk Alaska Highway to Prime Minister King. One was Warren Magnuson, chairman of the Alaskan Highway Commission. The other was Thomas Riggs of New York, commission member.

Actually they did not see Mr. King, personally. But they probably had a chance to learn at first hand what Ottawa thinks just now about this $30 millions highway trail which some people put in the same bracket as Canada's money-losing Hudson Bay Railway.

Ottawa's view on the highway seems to boil down to a few essential points:

1. The highway is quite feasible from an engineering point of view.

Very shortly now the B. C., Yukon and Alaska Highway Commission (Canadian section), of which Hon. Charles Stewart is chairman, should issue its final dictum. The commission is now awaiting an engineering report. But the final report will not materially alter the preliminary findings of a year ago which pronounced the road technically feasible.

2. Though feasible, there is no chance of the Canadian Government recommending its construction unless it is named as a vital defense necessity by the Permanent Joint Board on Defense.

Ottawa thinks the highway will be built eventually—perhaps in 10 or 15 years—but it has no stomach for the plan now unless a very strong recommendation goes forward from the P. J. D. B.

3. The next meeting with the Defense Board is not until next month.

Except in the single instance of a recommendation to construct an Edmonton-Alaska airline no recommendation of the Board to the Government has ever been made public.

Apart from this official shroud of secrecy which cloaks the Board's opinions it can be stated with little fear of correction that there is almost no chance whatever that the Board will recommend the project as an essential defense measure.

4. If the road does ever materialize, the Canadian Government will probably insist on paying the cost of the 1,100 miles of new construc-

(Continued on page 2, col. 2)

Summer Tourist Traffic Far Outnumbers 1940

By STAFF WRITER

OTTAWA.—After the big spectacular jump in early July, Canada's tourist traffic has settled back into a steady comfortable flow—slightly lower than the record year 1939, but far ahead of 1940.

This, in brief, is the story told by motor car entries at 15 key ports during the last five weeks. The totals are for U. S. visitors who filled out entry form E-50 permitting them to visit Canada for a period up to 60 days. They comprise slightly better than 80 per cent of the total tourist traffic.

In the five weeks ending Aug. 2, entries at these 15 ports totalled over 200,000 cars. This is a gain of more than 75% over the corresponding figure for 1940. It is about 5% below the 1939 record. Approximate figures for comparable weeks in 1940 were 116,000 and in 1939 about 214,000.

The surprising and reassuring fact disclosed in the trend of weekly totals is that after the big rush of tourists over the July 4 holiday (and including an American Legion convention at Toronto) there has been an even flow which has been curtailed only slightly by the new restrictions on gasoline sale. The figures tell the story:

U. S. Tourists Entering Canada on 60-day Permits at 15 Chief Ports of Entry

	1941	1940	1939
July 5	65,900	29,839	46,071
July 12	33,635	18,645	34,275
July 19	32,492	21,567	39,732
July 26	34,211	21,844	38,641
Aug. 2	*36,000	*24,000	*43,300

*Approximate. Total for eight leading eastern ports of entry only available.

A happy combination of circumstances aided in rolling up the huge total for the week ending July 5. The Canadian holiday (Dominion Day) fell on a Tuesday; the U. S. national birthday came on Friday. In each case there was every incentive for week-end travel. There was excellent weather and as well the big convention at Toronto which swelled tourist entries especially at Fort Erie, Niagara Falls, and Windsor. There were no restrictions of gasoline.

The result was a gain of 120% in travel compared with 1940 and a 40% gain over 1939.

Since then the weekly totals have kept steady around the 30,000 to

(Continued on page 2, col. 4)

The War And Business . . A Weekly Round-up

Prod for Priorities

U. S. criticism of Canada's war effort which has so far centred largely round conscription, may shortly swing into fields of production and supplies.

In Washington there is increasing restiveness that Canada is not moving quickly enough to restrict civilian needs.

The immediate example is steel. It is contended that Canada seeks equal priority with U. S. manufacturers yet has done little to husband her own steel resources by conserving and curtailing civilian demand.

In the case of steel there has now been a "showdown" and Canada has been pressed into setting up a rigid, nation-wide mandatory system of priorities. Every pound of steel used, produced or imported into this country will henceforth be documented, as reported this week by our Ottawa staff correspondent.

* * *

Canada Shows Results

Actually Canada has done more than she is given credit for in the U. S.

Automobile production was restricted by 20%, months before U. S. discussed a larger curtailment. A further curtailment of 24% has now been made rigidly effective in Canada. The U. S. proposal for a 50% cut is still only in the tentative stage.

In Canada, pig iron has been under mandatory control for some months and although our steel control has lacked the documentation of the U. S. priorities, it has nevertheless been very effective in getting results.

As one Canadian priority official pointed out: "What we want is deliveries. We don't bother very much about 'paper.'"

* * *

Auto Restrictions Work

Ottawa's rigorous steps to cut down both the sales and production of passenger automobiles have proved effective, to judge from latest statistics of auto sales across Canada. Affected by steep war taxes, arbitrary cuts in production, and now the curb on gasoline sales, the number of new passenger car sales in May and June dropped nearly 40% and their retail value dropped about 25% despite higher prices.

In contrast, the lack of similar restrictions on trucks and buses has permitted sales in this division to shoot ahead. They rose 21% in number, 32% in value in June, following up substantial gains every month since the start of the year.

Neither set of figures include deliveries to the Government for war purposes, which probably more than offset the shrinkage in buying of new passenger autos. Desire to divert as much materials and plant capacity as possible to production of military vehicles is one of the chief motives for the curbs applied to non-commercial car sales and output.

Substantial orders have been placed recently for additional army transport units, and will keep Canadian plants busy until at least the end of February. Total orders now stand at 200,000 units of which 135,000 are delivered.

While the Government policy is also designed to hobble civilian spending on non-essentials, and has succeeded here in regard to new cars, it has not entirely prevented car buying being switched to purchase of used cars. Auto financing statistics show increases of 5% in number, 22% in value in June buying of used vehicles of all types, with gains of 16% and 31% in the first half of the year.

* * *

To Keep in Step

However, it may be taken for granted that from now on, Canada will not be allowed to lag behind the United States in any matter of mandatory control and regimentation of supply.

Whatever or whenever the U. S. sets up a rigid control system for defense purposes, it may be assumed that Canada must at least fall in line.

If the U. S. cuts refrigerator production 50%, Canada must do at least that or run the risk of losing her priority ratings for needed materials and supplies in that market.

The new curb on installment selling announced by Washington this week is another case where Canada will probably be expected to follow the U. S. lead. So far, Canada has shied from curbing installment selling in the belief that this is supplementary to production controls, not a major weapon in anti-inflationary policy.

* * *

Quiet, Please

The next and third meeting of the Joint Economic Committees of Canada and the U.S. will be held in New York, Sept. 18-19-20. The reason for choosing New York is interesting and significant.

The first meeting was held in Washington, the second in Ottawa. After the second meeting (last week) it was found that really constructive work was impossible while one or other of the committees was near home base. There were too many interruptions, phone calls, conferences, etc.

So they chose the "peace and quiet" of New York.

* * *

Japanese Weak Spot

A Canadian who is intimately acquainted with industrial operations in Japan rates the Kobe-Osaka area the most vulnerable in the world to air attack.

He figures a single bombing raid using incendiary bombs and aided by a "favorable" wind, could wipe out 50% of the entire industrial capacity of the country. These two cities are within a few miles of each other. They are only 600 miles from Vladivostok.

The industrial plants are hedged around with paper and wooden living structures, housing hundreds of thousands of workers. A single raid on the area could be the most catastrophic on record, this man thinks.

In fear of this, Japan may hesitate long before laying herself open to an air attack of this sort by Russia.

Incidentally the observer quoted, who is well versed in affairs affecting the Far East, is sceptical of an outbreak of hostilities there, until or unless some material change takes place in the war in the west.

He does not believe Japan will begin the war unless Russia is definitely overpowered by Germany or some other material setback is suffered by the anti-Hitler forces.

* * *

Price Control Savings

Canadian lumber users are being saved over $2 millions annually by the wartime control of prices set up over two months ago, according to figures issued by A. S. Nicholson, Timber Controller.

Of Canada's annual lumber output of 4.5 billion feet domestic consumption absorbs about 45% or over 2 billion feet. Mr. Nicholson estimates that Canadians would be paying price increases averaging $10 per thousand feet had not price control been set up. He adds that such an "unwarranted increase" would have led to higher production costs and put the industry in a "very hazardous position."

The present control system, operating through 12 district committees, limits retail prices to a maximum of the levels as of April 1, 1941, plus sales tax. The restriction, which is unrelated to export prices, is reported by the Timber Controller to be "operating smoothly and producing satisfactory results."

* * *

Milestones

Formation of Sixth Division for the active service army, near-completion of the Fifth Division personnel to go to Britain this year, and start of enrolments in a woman's auxiliary army corps, announced by Defense Minister Ralston . . . By the end of last week, employers registered under the Unemployment Insurance Act numbered 116,725, and 2,402,422 insurance books had been requisitioned for insurable employees. Weekly payments from firms and workers are around $750,000. Gain of 11.5% over 1940 is shown in the D.B.S. estimate of national income produced in the first half of this year . . . Ottawa applies wartime control to all silk stocks, and to dealings or production involving them, to conserve supplies for war purposes . . . The Canada-U.S. Joint Economic Committee reports "satisfactory progress" under the Hyde Park agreement co-ordinating the war-defense efforts of the two countries. . . Navy Minister Macdonald in England looking for technicians to help build destroyers in Canada.

Hat News from EATON'S

A Famous Maker's Most Popular Model!

The Stetson "PLAYBOY"

One of the most consistently popular hats we have ever stocked, this lightweight fur felt by Stetson! Favoured by well-dressed men for year-round wear! We've just received our new Fall shipment, in handsome tones of grey, green, brown and blue-grey. Sizes 6⅞ to 7½. Each 6.50

Main Store—Air Cooled Main Floor.

T. EATON Co. LIMITED TORONTO CANADA

Envelopes for every purpose

Barber-Ellis of Canada, Limited

TORONTO – BRANTFORD

BRANCHES FROM COAST TO COAST

MR. BUSINESSMAN:

Can you make a place in your organization for a real high class, versatile executive?

This man is trained in human psychology, financial and industrial sales minded.

He can throw his two hundred pounds successfully into any large undertaking and complete it to the great satisfaction of all concerned.

I know, as I have just completed some business with this human dynamo, and he has proven to me that he will make an excellent assistant to a President, could handle all phases of a complicated estate, can hire, train and direct a bang-up sales organization.

He is a Protestant, age 47, has a clean record, well connected, and is not starving.

For an interview, name the time and the place. I suggest you do not pass up this opportunity.

Address Box 120, The Financial Post, Toronto.

SCHOOLS AND COLLEGES

BRANKSOME HALL

10 ELM AVE., TORONTO

A Residential and Day School for Girls

Junior and Honour Matriculation—Nursery, Kindergarten and Junior School—Art—Music—Household Science — Secretarial Course — Swimming Pool—Skiing at School Farm.

School re-opens Sept. 10th

For illustrated calendar write the Principal

MISS EDITH M. READ, M.A.

Ontario Ladies' College

Founded 1874

WHITBY

A Residential School for Girls—near Toronto

One hundred acres of grounds. Public School to Honour Matriculation, Music, Art, Interior Decoration and Handicrafts, Household Science, Secretarial Courses, and Dramatics. Swimming Pool and Gymnasium. Physical Education and Riding under resident Mistresses.

Calendar on Request

REV. C. R. CARSCALLEN, M.A., D.D. PRINCIPAL

St. Andrew's College

FOUNDED 1899

An exceptional boarding school for boys

AURORA, ONT.

Book of Views on request

K. G. B. KETCHUM, B.A., HEADMASTER

Official Group Visits Project Of Ont. Paper

Ontario Government Party Taken on Trip to Heron Bay

Premier Mitchell F. Hepburn and other Ontario Government officials this week concluded a goodwill inspection trip across Lake Huron, which included a visit to the Ontario Paper Co. townsite and timber cutting project at Heron Bay, Ont., on Lake Superior.

The party travelled across Georgian Bay and Lake Huron to Sault Ste. Marie on the 75-foot Diesel-power yacht Brigadier, then on to Heron Bay by plane. The development is one of the Canadian enterprises of the Chicago Tribune, published by Col. Robert R. McCormick. The newspaper owns Ontario Paper and, with the New York Daily News, takes all of the output of the company and its subsidiary, Quebec North Shore Paper Co.

Host to the Government delegates on the tour was Arthur A. Schmon, president and general manager of Ontario Paper and Quebec North Shore Paper, and chief representative of the McCormick newsprint interests in Canada. Also on the trip were Arthur G. Slaght, K.C., of Toronto, M. P. for Parry Sound, one of the several Canadian counsel retained by Ontario Paper; and M. C. Martin of Chicago, legal adviser to the McCormick-Tribune interests and for Ontario Paper in the U. S.

Deny McCormick on Trip

U. S. sources reported that Col. McCormick himself had recently made a trip to Canada and had accompanied the group to Heron Bay. These reports were denied by sources close to the paper company.

The anti-British and strongly isolationist policy of the Tribune has aroused increasing ire among American proponents of aid-to-Britain and other steps to block Hitler's threat to this hemisphere. Recently the Tribune and Col. McCormick were denounced at a Chicago mass meeting, a former foreign correspondent of the paper classing the Tribune along with Senator Burton Wheeler and Charles A. Lindbergh as "dirty fighters using the political equivalent of poison gas." Following this meeting copies of the Tribune were burned in the streets.

Watch Canadian Opinion

Especially since the start of the war Canadian public opinion toward the Tribune has been a background factor shadowing the position of Ontario Paper. In some quarters it has been thrust into discussion of the company's exemption from the prorationing of regular newsprint production. Tribune executives are believed to be more concerned about the political and operating status of their supply resources in Canada than they are over the rise of hostile criticism in the U. S.

There is no evidence that any of these considerations figured in the inspection tour to Heron Bay, or that there was any discussion of possible adjustment of Ontario Paper's timber limits and cutting rights in the area. The company opened up the limits several years ago and established the modern townsite and cutting facilities in response to a government to start such a development. Ontario authorities sought to create employment and ensure a flow of Ontario pulpwood to the company's mill at Thorold.

Since then the company has sponsored a number of goodwill trips of special groups to the development. That the recent trip was a similar educational junket is lent color by the absence from the government party of officials of the Ontario departments of Lands & Forests and Northern Development. Premier Hepburn was accompanied instead by Hon. T. B. McQuesten, Minister of Highways; and Chester Walters, Comptroller of the Treasury.

Alaska Highway Dead For Now

(Continued from page 1)

tion which lie in Canada (the Alaskan part of the route is about 230 miles).

B. C. may be asked to contribute something—perhaps the several million dollars which need to be spent to bring connecting highways up to the 24 ft. gravel road standard now under discussion.

The cost of new construction for the route most favored by the Stewart commission is placed at about $22 millions. Ottawa does not favor letting the U. S. pay this.

There is one very faint ray of hope for those who are pulling hard for construction of this highway.

Some concern is now being expressed regarding the shortage of shipping and the possibility that the route might relieve a situation which now ties up shipping tonnage along a 1,000-mile route from Seattle to Alaska.

But if this argument is put forward it is probable that the Canadian answer will not be acquiescence in construction of the road, but a suggestion that the U. S. cut the present long shipping route in two by routing goods via C. N. R. to Prince Rupert and thence along the coast.

This route is only half the distance by sea from Seattle.

D. McK. FORD

E. A. BROMLEY

D. McK. Ford, general purchasing agent of the Canadian National Railways, has been appointed vice-president in charge of purchases and stores, according to an announcement by R. C. Vaughan, president of the System. E. A. Bromley (right), formerly assistant to the vice-president, succeeds Mr. Ford as general purchasing agent.

Gas Saving Campaign Cuts 15%

(Continued from page 1)

provinces will, it is understood, be asked to lower the maximum legal highway speed all over Canada to 40 miles an hour. Cutting down driving speed is one of the easiest and most effective means of reducing gasoline consumption. For example, cars capable of giving 25 miles per gallon at 20 miles an hour will vary as follows according to speed:

Miles per Hour	Miles per Imperial Gal.
20	25.0
30	24.6
40	22.8
50	19.8
60	15.2
70	10.0

Observation indicates that there has already been a noticeable slowing of average driving speed on the part of motorists.

Rationing Jan. 1?

No one is in a position to forecast if and when compulsory gasoline rationing will come. Perhaps a logical time to bring a rationing system in would be at the time motor car licenses are renewed. This would mean some time around Jan. 1, a date that might simplify enforcement and make it easy to prevent evasion. But this is apparently only speculation and there is no certainty about rationing as yet.

Some time ago The Post forecast that number of grades of gasoline offered for sale in Canada would be cut down to two and that specifications would be made uniform, permitting allowance for different conditions in varying sections of Canada. This plan is still on the books. Two uniform grades of gasoline may be sold at fixed prices, under a zoning system.

To Pool Supplies

All supplies of crude oil and of gasoline would be pooled without regard to their source, and allotted to the different companies. There is no intention of driving the price cutting companies out of business but they will have to conform to regulations.

The objective of this campaign will be to reduce by 25% the amount of crude oil being delivered to refineries. This means a reduction of about the same amount in the amount of gasoline delivered to distributors who have no refining facilities of their own. No company is to benefit merely because it has its own tankers or pipe lines.

Business Co-operates

Business firms are said to be cooperating splendidly in the gasoline saving campaign. The same cannot be said of the army or some government offices, The Post is informed. Frequent examples are noted of heavy army trucks being used to deliver small articles.

One large department store organization estimates it has been able to save 1,000 gallons of gasoline weekly by checking all mechanical equipment and educating clerks and customers to reduce deliveries. A leading life insurance company has instructed its representatives to travel by train whenever possible.

A large organization operating urban and inter-urban bus systems, and using 1¼ million gallons of gasoline yearly, has given strict orders to drivers never to run their engines unnecessarily, as when coaches are standing at terminals. No definite figures are available as yet, but it is suggested hundreds of gallons weekly can be saved by this means and by reduced wastage by service employees.

A leading retail firm has cut out special deliveries to its stores. It has asked store managers to anticipate needs far enough ahead to order in larger quantities. A brewing firm put on a special staff to check the mechanical conditions of its fleet of trucks and service cars. It has ordered all drivers to shut off engines whenever the vehicle is stopped, even if it has to be started by hand cranking again. This company has asked brewers' warehouse operators to order in large enough quantities so that one delivery a week will do in place of the four or five that had been customary. So effective has this measure been that this company has been able to cut off the use of several pieces of older equipment that were only brought in to handle peak requirements such as experienced during the summer months.

Clarify Rules U. S. Capital

F. E. C. B. Permits Liquidation of New Investments and Transfer of Earnings

Policy of the Foreign Exchange Control Board with regard to new capital investments made in United States funds or in Canadian funds by U. S. residents has not changed. But, to clarify this policy and to make clear that the Board does all in its power to facilitate such investment, a new statement of regulations covering this matter has been issued.

Any non-resident of Canada who brings U. S. dollars to Canada and sells them to an authorized dealer, investing the proceeds in a Canadian enterprise, will be resold U. S. dollars if the investment is later liquidated. This provision does not apply to investments made in marketable securities.

Any capital profits realized on such a transaction by the non-resident would be freely transferred to him in Canadian dollars. These Canadian dollars resulting from such a capital profit could not be exchanged for U. S. dollars, however, at the official rate.

Canadian Dollar Investment

If the non-resident has Canadian dollars which he already owns or which he acquires from another non-resident—that is in the unofficial market in the United States as an example—he can invest these Canadian dollars in Canada. The Board will grant the necessary permit for repayment of Canadian dollars—but not U. S. dollars—to such non-resident if he subsequently liquidates this investment. In the case of an investment made in Canadian dollars in this way, the regulations would apply to purchase of marketable securities. Capital profits would also be transferred freely in Canadian dollars.

The Board continues to provide U. S. dollars at official rates for conversion of net current earnings on non-resident capital, whether the original investment was made in Canadian or U. S. dollars.

Tourist Traffic Far Outnumbers 1940

(Continued from page 1)

35,000 mark. Undoubtedly there would have been greater traffic over August 1 week end had there been no restriction on gasoline sale. But in spite of this handicap there was a good 50% gain over 1940 totals.

The 15 ports included in the totals are: Clair and St. Stephen in New Brunswick; Lacolle and Phillipsburg in P.Q.; Fort Erie, Niagara Falls, Sarnia and Windsor in Ontario; Emerson in Manitoba; Northgate and North Portal in Saskatchewan; Coutts in Alberta and Boundary Bay, Huntingdon and Pacific Highway in British Columbia.

For the final week of the record (Aug. 2) complete returns were only available from the eight eastern ports. These cover about 95% of the total for the larger number.

For the year to date, comparative figures for these 15 ports are not available. The new record week by week for this type of traffic at these ports has only been compiled since the first week in July.

However, total entries of all cars at all border points for the first six months of 1940 numbered 357,257. This compares with 337,603 in 1940 and 352,464 in 1939. These figures indicate that had it not been for gasoline restriction it is highly probable that Canada's 1941 tourist traffic would have shown a comfortable margin over 1939.

They show also that with seven months of the tourist year behind us the totals for the year should be highly encouraging in view of all the difficulties.

Insurance Notes

The Great West Life Assurance Co. of Winnipeg has been licensed to do business in the state of Ohio. This is the eighth of the United States of America in which the company is licensed. Other states in which the company was previously registered are North Dakota, Minnesota, Michigan, Illinois, Washington, Indiana and Missouri.

The Great West has $138 millions business in force in the United States out of a total of $647.2 millions.

Celanese Corp. Sales At New Record

From Our Own Correspondent

MONTREAL.—Celanese Corp. of America reports record sales volume of $16.6 millions in the second quarter of the year, compared with $11 millions in the first quarter. Earnings before taxes amounted to $4.1 millions, compared with $2.1 millions in the first three months, and $2.8 millions in the second quarter of 1940.

Consolidated net profit for the first half of the year, after taxes and reserves of $478,397 for anticipated tax increases, amounted to $3.1 millions. This is equal to $1.66 a common share, and compares with $1.88 in the first half of 1940.

Dry Spell May Affect Power Supply

(Continued from page 1)

the water storage to a point where all demands can be met.

New "Pool" Helpful

On the other side of the "balance sheet" are a number of recent developments which strengthen the power outlook in the province.

In the first place work on the new underground transmission cable across the Island of Montreal is being rushed and will be completed within the time scheduled.

This 110,000 volt cable, running from the Atwater substation of Montreal Light, Heat and Power Consold. to the east-end substation of Shawinigan Water and Power Co., is being built by the Aluminum Co. of Canada at a cost of about $1.5 million.

It is by far the most important development in the Quebec power industry in years. By means of this cable the power systems of the Lake St. John region, St. Maurice Valley, Eastern Townships and Montreal will be interconnected.

Make Maximum Use

Thus if there is a shortage of power in the Lake St. John region (where the huge aluminum and other works are located) because of water conditions, it will be possible to divert surplus power from the Montreal area into the Shawinigan system which, in turn, would feed a like amount into the Lake St. John region.

In doing this the power fed into the Shawinigan system would enable the operator to close down some of its generating units and thus increase water storage. This additional water could be used later on to develop power for the Lake St. John area, where water conditions have never been entirely satisfactory.

This pooling system, which is being made possible by construction of the transmission cable across the Island of Montreal, will permit the maximum utilization of the water resources of the province for development of energy at such times as it is needed and delivered to the aluminum plant or other war industries as required.

New Storage Dam

The second factor is that the Aluminum Co. of Canada has under way construction of a water storage dam at the headwaters of the Manouan River which will make available some 56.7 million cubic feet of water to supplement that stored in Lake St. John.

Arvida Strike Helps

Another influence on the water storage and in turn power supply in Quebec this winter developed out of the labor troubles at Arvida. Because of the shutdown in certain potrooms and the time involved in getting them into operation again (three weeks) power requirements at Aluminum Co.'s plant at Arvida have been curtailed.

This has been a mixed blessing for it has meant water which would otherwise have been used to meet the plant's power requirements has been added to storage.

Summary of Situation

The situation in so far as the individual industrial areas are concerned may be summarized as follows:

In the Lake St. John region water storage has never been wholly satisfactory and of late months the region's industries have been dependent upon "imports" from the Shawinigan system to meet power requirements. Water storage in the area is below normal and, in any event, is not likely to be sufficiently adequate to permit full utilization of all the generating machinery which will be available this winter.

Water storage in the St. Maurice River Valley is relatively satisfactory. While the current supply is not as great as it was a year ago, still there is sufficient to take care of anticipated requirements this fall. If fall floods are normal—last year was a subnormal one—then the Shawinigan system may have more water in storage for the winter period than was the case in 1939-1940.

The water supply in the Eastern Townships has not been satisfactory for some time, and it has been necessary for Southern Canada Power Co. to draw upon the Shawinigan system.

Montreal is Unaffected

In the Montreal area the power supply comes from plants which take the flow of the river, principally the St. Lawrence River, and it is not expected power output will be any less this winter.

As the situation stands, given good fall rains, the water supply in Quebec will be adequate for all purposes. If the dry spell continues and fall rains are light, then there may be need for conserving on the use of electricity for all but industrial purposes in war plants during the coming winter.

Rail Income Expands In Week of Aug. 7

From Our Own Correspondent

MONTREAL. — Canadian Pacific Railway Co. reports gross traffic earnings of $4.2 millions in the week ended Aug. 7, compared with $3.4 millions in the same week last year. This represents an increase of $817,000, or 23.8%. Gross earnings in the year to Aug. 7 amounted to $123.5 millions, compared with $94.1 millions in the corresponding week last year, an increase of 31.1%.

Gross traffic income of Canadian National Railways in the week ended Aug. 7 amounted to $5.6 millions, an increase of $1.2 million or 25.9% over the same week a year ago. Gross earnings to Aug. 7 totalled $173 millions, an increase of 23% over the corresponding period of 1940.

Obituaries

G. G. LeMesurier, former manager of the main Toronto office of the Imperial Bank of Canada, aged 85, at Toronto.

F. H. Booth, director of J. R. Booth Ltd., Ottawa, aged 46, at Santa Barbara, Cal.

W. J. McMillan, manager Canadian Department Stores, Sudbury, aged 50, at Sudbury.

Roy Morrison, president Dumarts Ltd., packers, Kitchener, and vice-president and managing director of Burns & Co., aged 48, at Calgary.

Investors' Index

Aug. 16, 1941

Agnew Surpass	4	Hayes Steel	11
Aluminum Co.	8	Howard Smith	8
Am. Cyanamid	8	Hiram Walker	4
Bathurst	8	Hamilton Bridge	4
Brompton	8	Inter. Paper	8
Bell Telephone	11	Imp. Tobacco	11
Blue Top Brew.	11	Imperial Oil	11
Candn. Celanese	8	Inter. Util.	3
Cons. Paper	8	Lake St. John	8
C. P. R.	2, 11, 13	M. & O. Paper	8
Candn. Car	16	Marit. Tel.	4
Canada Dry	4	Nor. Am. Elev.	4
Canada Bread	11	Noorduyn	16
Donnacona	8	Ogilvie Flour	11
Dryden Paper	8	Power Corp.	8, 11
Dist. Corp.-Seag.	4	Price Bros.	8
Dominion Gas	11	Rolland Paper	8
de Havilland	4	Sun Life Assur.	10
Fraser Cos.	8	St. Lawr. Paper	8
G. Tamblyn	4	Sherwin-Wms.	11
Gt. Lakes Pr.	8, 11	Thrift Stores	11
Growers Wine	13		

MINES AND OILS

Anglo-Huron	15	Mining Corp.	15
Arntfield	14	Noranda	14
Hallnor	15	Naybob	14
Castle Treth.	15	Northern Can.	15
Coniagas	15	North. Empire	14
Cons. Mining	14	Pamour	15
Chesterville	14	Pioneer	14
Cent. Cadillac	14	Ventures	15
Int. Nickel	14	Waite Amulet	14
Kerr-Addison	14		

REGULAR FEATURES

Banking	10
Bond Markets	5
Bond Quotations	12
Business, Week in	7
Commodities	13
Company Reports	4
Editorial	6
Foreign Exchange	14
Insurance:	
Fire and Casualty	10
Life Insur.	10
Investment Trends	4
Enquiry Letters	11
Market Opinions	4
Stock Quotations	12
Mining, Week in	14
Mining Quotations	12
Oils, Week in	14
Oil Quotations	12
Pulp and Paper	8
Wheat, Week in	13
Wheat Quotations	13

Will Police Every Ton Of Steel

(Continued from page 1)

posed heretofore there has been some "chiselling" and that Canadian importers have been diverting steel obtained under defense priority, to peacetime uses. This has made imposition of a 100% mandatory control of Canadian steel production, sale and importation inevitable in spite of Canada's desire heretofore to avoid "extreme documentation" as long as possible.

Groups Affected

There are three important groups of Canadian steel users which are immediately affected by the steel shortage:

1. Vital war industries such as shipbuilding, which were late in establishing priority ratings in the U. S.

2. Miscellaneous war projects of allied industries—the railways, new power plants, mines, etc., which may now have difficulty in establishing adequate priorities.

3. Civilian needs which will have to face not only elimination of U. S. steel importations but curtailment of Canadian supplies.

Facilities Limited

Crux of the problem is, of course, that Canada is not a highly industrialized country. We are dependent on the U. S. for such steel shapes and plates as cannot be economically produced in this country.

If it were not for the new Steel of Canada plate mill, which came into production this year, our situation would be much more serious.

This mill produced 8,000 to 9,000 tons of plate in July; will step up to 12,000 tons this month and will, it is expected, reach its maximum production of 12,000 tons in September.

Actually the entire production of this mill could be used to meet the needs of the cargo ship programme alone. If alternate tonnage were not available from the United States and this were done, it would mean that a score of vitally important defense construction projects and other miscellaneous war needs would go begging.

Most urgent is an adequate supply of steel for the 9,300-ton cargo ship programme under Wartime Merchant Shipping, Ltd. Each ship requires about 2,200 tons of steel plate and 1,000 tons of steel shapes. From one source The Financial Post learns that although most of the plate could now be produced in Canada, between a quarter and a third of the entire steel requirements must come from the U.S.

Lack of Conformity

Actually these ships get an A1-A rating in the U.S. if they are to be delivered in 1941; an A1-B rating if delivered in 1942 and an A1-C rating where delivery is scheduled for 1943. Furthermore Canadian production of these ships or any other vital defense item is given equal priority with U.S. in "official" documentation.

Apparently in the case of ship steel, some Canadian sub-contractors failed to confirm and extend the priority rating which has been assigned them through the Department of Munitions and Supply and Wartime Merchant Shipping, and which has been necessary heretofore in Canada only for steel imports. There have been no such "formal" priority ratings for Canadian "production" and carelessness is said to have been shown by some sub-contractors in conforming with the procedure which has been worked out for Canada in respect of imports from the U.S.

Said one official this week in commenting on the new mandatory steel priority in the U.S.: "If Canadian sub-contractors have not extended these priorities individually within a week we will be simply out of luck."

With the new and greatly expanded organization which is now being set up by the Canadian steel control office both here and in Washington it is hoped that this situation may shortly be righted.

Another group, faced with a serious shortage problem includes the railways, new power plants and miscellaneous war projects such as drydocks and chemical construction.

Canada's railways depend on U.S. sources of supply for heavy plate for gondola cars, box car ends, etc. Increased wartime demand has necessitated heavy purchases for repairs, new equipment, etc. How much steel for this purpose will now be available may not be known until the entire programme of Canadian needs and U.S. supply has been documented. At present there is some unwillingness to release steel in the U.S. to Canada until the Canadian picture of wartime and other needs has been clarified. To use the U.S. expression: "Canada must put her house in order."

As in the case of ship steel, Canada needs some of this steel urgently from the U.S. but this cannot be assured until all other users have been placed under 100% regimentation and control. The old system of an "honor system with tentative controls" will now be completely abandoned in Canada for the duration.

Where civilian users will fare under this new system remains for Mr. Hutchison and his advisers and for the new full-time steel controller to determine. There is little prospect of any steel being available in the U.S. for any civilian use in Canada.

Heretofore, under the loose Canadian "honor" system it is believed that many firms with war business on their books, placed orders in the U.S. for enough steel to fill both peace and wartime needs. That has been alleged by some U.S. interests. It is not categorically denied by Canadian officials, although it has undoubtedly been the exception rather than the rule.

Until a few weeks ago it probably did not matter a great deal because there seemed to be enough to go round. Canada's small imports—a few hundred thousand tons in a country whose steel capacity is now rated at 91 millions—seemed trifling.

From now on every pound of steel will be certified and documented whether imported or produced in Canada. It is probable that the priority schedule will follow closely the tentative plan drawn up last year by Hugh D. Scully but which was never made mandatory.

There is already a mandatory order for pig iron priority in Canada but the new steel priorities will be much more detailed and complex. They will dovetail of course into the existing U.S. steel priority. First civilian demand to be affected will almost certainly be the durable consumers goods—refrigerators, washing machines and similar items.

One of Canada's most pressing requirements is for steel sheets, especially in the heavier sizes. There are substantial orders in this country for such war material as steel ammunition boxes for 3.7 shells. These are jostle-proof boxes which are used over and over again but which require a deep-drawing, heavy gauge sheet which cannot be manufactured here.

Another Canadian requirement is for steel used in various types of armored vehicles which are to be produced in increasingly great quantities in this country.

Running through this entire problem is the weighty matter of price.

So far, the steel control in Canada has succeeded in holding down steel prices. Canadian prices have been pegged now for almost 15 months. Recently there has been increasing pressure for a substantial increase in price to meet increased costs and bring Canadian prices more into line with the U.S.

The present view in Ottawa is that until there is more evidence that Canadian steel mills are actually running in the red on present operations there will be no sympathy with any increase in price.

Following is the existing Canadian list of "honor system" priorities for steel.

CLASS A

Shells and shell parts.

Naval vessels and equipment.

Military vehicles of all kinds.

Aircraft and aircraft projects.

Munitions plants.

Guns and rifles.

CLASS B

Equipment for military, naval, and aircraft establishments.

Maintenance and repair of railroads, transportation systems, and public utilities such as power plants, electrical plants, waterworks, etc.

Mining industry.

Tools, dies, and other articles ancillary to those items covered in Class A.

Building additions for increased munitions production.

Machinery, equipment, and apparatus essential to production in Class A and Class B categories.

CLASS C

New construction of railroads, transportation systems, and public utilities.

Petroleum industry.

Agricultural machinery and equipment.

CLASS D

Essential municipal projects.

Current and normal industrial business.

Warehouse stocks.

Saskatoon, Sask. — Collections of this year's taxes were $71,758 ahead of last year up to July 22. Receipts for 1941 to that date totalled $544,955 compared with $474,187 for the 1940 period. Tax arrears have been considerably reduced so that payments are down to $277,267 compared with $306,008 for the same period last year. Even with the decrease in collection of tax arrears, there is a net increase in tax payments this year of $52,977.

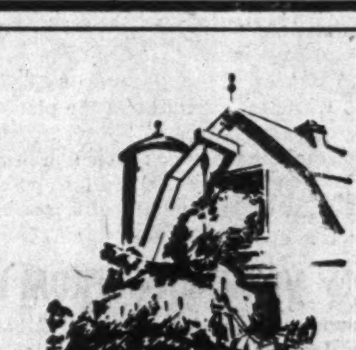
Labour and capital together have made Canadian FORESTRY the greatest of our export manufacturing industries. The Bank of Montreal co-operates by furnishing business men and workers of the industry with the specialized types of banking service they require.

Serving Canadians and their industries in every section of the community, we invite you to discuss YOUR banking requirements with us.

BANK OF MONTREAL

Modern, Experienced Banking Service... the Outcome of 123 Years' Successful Operation

A171



"Haulin' in" time is here

Throughout the country, teams are sweating from field to barn with wonderful harvests. The same condition also prevails in business to-day. Retail sales are at new heights and dealers everywhere are reaping a wonderful harvest of consumer dollars. Steady, sane advertising in daily newspapers is the most direct route to consumers as it has always been. The new "Point of Sale" co-operation as developed by the Bureau of Advertising of the C.D.N.A. is working out satisfactorily across Canada and "success" stories are coming in in increasing numbers. Canada's richest consumer-market is Toronto, and

TORONTO IS A "TELEGRAM" CITY

THE EVENING TELEGRAM

Largest Classified Linage in Canada

TORONTO CANADA

MONTREAL: E. R. CHOWN, Dominion Square Building

London Calling

By Atticus

"Most Naive Performance From the Front Bench" — "Like a Man Called on Unexpectedly to Deliver Funeral Oration Without Having Quite Caught the Name of the Deceased"

LONDON.—While Joseph Stalin was winning a temporary verbal championship by describing Hitler and Ribbentrop as cannibals the House of Commons was holding a fantastic debate on the Ministry of Information. In the two years preceding the war it used to be said that there were 615 Foreign Secretaries at Westminster. As foreign affairs are now out of fashion it would seem that there are at least 400 potential Ministers of Information among our M.P.s. Almost everyone in the crowded House wanted to speak, and no doubt each of us felt that our particular contribution would have proved invaluable.

That admirable administrator, Sir John Anderson, as Lord President of the Council, set the key with one of the most naive performances we have seen from the Front Bench. He was like a man called upon unexpectedly to deliver a funeral oration without having quite caught the name of the deceased. The most courteous and patient of Ministers, he sat down once when a questioner intervened, and proceeded to give his answer still remaining seated. In fact, for one brief hilarious half minute no one was standing up at all. Later Mr. Robert Bernays, in one of the few good contributions to the debate, had to ask the Lord President to allow him to make his speech in his own way—an unusual reversal in the normal relations of a Minister and private member.

But it was left to Captain Plugge to prove that the British are a nation of stayers by telling the House that we were short of foreign transmission stations and trying to prove it in 8,500 words. My secretary has added up the speech in Hansard and gives me that total as approximately correct. Mr. Duff Cooper, certainly the best of our Ministers of Information, intimated to the House that the Government reforms announced by the Lord President were quite ineffectual and he would loyally carry them out.

It was the House of Commons at its worst. Even an attractive maiden speech by Lord Hinchingbrooke in uniform did not lift the deep depression that had settled over Westminster.

* * *

Giddy Experience

Captain Oliver Lyttelton, who has gone to the Middle East with full political powers, is having a giddy ministerial experience. He arrived at the Board of Trade with no previous Parliamentary experience, carried through his two condensation Bills—one in connection with industry and the other with our clothes—and now finds himself in the Middle East, yet a member of the War Cabinet sitting in London. Being a philosopher he might be inclined to think that it is like being chosen to play for England at cricket and then being sent by the M.C.C. to Iceland. But perhaps it is cantankerous to suggest that membership of a War Cabinet would presumably imply attendance at its meetings.

The truth is that Captain Lyttelton has made a deep impression on everyone both at Westminster and in Whitehall.

* * *

Graf Spee Hero

It was good to enjoy at lunch the company of Admiral Sir Henry Harwood, who directed the brilliant action that resulted in the sinking of the Graf Spee. I have seldom met a man who gave a more definite impression of perfect co-ordination of body, mind, and spirit. Thick-set, clear-eyed, decently human, and full of common sense, it is a type peculiar to those who spend their lives at sea. Such men contrive to be alert without the slightest suggestion of nerves.

I was particularly interested in his opinion that the Graf Spee need never have gone into Montevideo, but was in a condition to make its way to the open sea and chance picking up a tanker. "When things go wrong for the Germans, they crack," said the admiral. His description of the scenes on his own ship and the Ajax when the news came that the Graf Spee had been scuttled would thrill any man who has not lost the inherent boyishness that makes the adult male endurable. Sir Henry has now a high post on the Board of Admirals. Instead of in his comfortable quarters at sea he sleeps at the Admiralty in an overinhabited room. Such is the price of triumph.

Copyright, 1941, The Financial Post and The Sunday Times, London.

Borden Company In Vitamin Field

The Borden Company, New York, announces creation of a vitamin products department under Harry McNeilly, industrial engineer and former vice-president of Scott & Bowne Vitamin Corp. The Borden Company plans to manufacture and sell certain vitamins, particularly Vitamin A and Vitamin D, derived from natural sources, for food and feed fortification.

Keeping Posted

By JOHN C. KIRKWOOD

Physicians of sorts reside in the soil you tread and dig. Earth is the abode of bacteria. Bacteria are warriors. The bacteria contained in soil are the deadly enemies of streptococci and staphylococci, of wheat fungus and vegetable-rot germs, of diphtheria germs, of external sores and wounds and internal infections.

Badly infected wounds, festering with deadly microbes, are purified of bacteria within 24 hours of starting the Gramicidin treatment — Gramicidin being the given name of the preparation derived from earth. "Miracles from Mud" is a vivid account of the discovery of Gramicidin in the current issue of Maclean's Magazine.

* * *

Super Student

Joseph Thorarinn Thorson, Canada's new Minister of National War Services, is of Icelandic origin. His parents emigrated from Iceland to Winnipeg, where "Joe" was born in 1889. Joe's father was a stonemason and a deep sea fisherman. Joe, in his students days, was the most brilliant student Manitoba had produced, winning every prize and scholarship open to him. He went to Oxford and was called to the bar in England in 1913. He was a captain in World War I. In 1919 he began the practice of law in his native city. He became a member of Parliament.

On June 11 last he had a phone message: the Prime Minister wanted to see him. Mr. King said: "I sent for you, Joe, to have you sworn in as Minister of National War Services." That was the first inkling Mr. Thorson had of the new job for him. Grant Dexter tells Thorson's life story in Maclean's Magazine for August 15.

* * *

It Still Pays

Some manufacturers in Canada have asked themselves: Should we keep on advertising to consumers when we cannot supply consumer demand because our factories are making war goods?

Here's the answer to that question as expressed in an advertisement by Lord Nuffield's organization—making the Morris motor car. The caption is "Things that Endure":

"Man's ideals outlive his monuments. The anonymous devotion which raised these spires whose fingers point to heaven; the patriotic spirit which is accelerating war production night and day throughout our vast network of factories; these are the things that endure, outliving the very tasks they set themselves.

"For after the sacrifices of war are forgotten, our craftsmen-in-the-front-line will turn their skill and enhanced knowledge to the betterment of motoring in a saner and happier world. That attitude of mind which puts service before self is the spring from which every member of the Nuffield organization draws inspiration for present efforts and future hopes."

* * *

The Real Loss

On the same theme, K. R. Townsend, advertising manager of Canadian Westinghouse, says: "Today's advertiser who cuts his advertising is betting his future profits that the demobilization of the Fighting Dollars is years and years away. When anything so vital to a product as its preference by name is allowed to fade out, then the producer has lost something of far greater value and importance than even his plant."

* * *

Gas "Suckers"

Gasoline can be saved if the public will carry home their small-parcel purchases. Retail establishments giving delivery service are studying the problem of how to cut down delivery costs. Drivers may be rewarded by bonuses—so says Hardware and Metal—for co-operating in saving gasoline. Stealing gas by the siphon method would seem to be increasing.

* * *

Boom Business

Garages everywhere in Canada are working to capacity, and this situation is likely to continue. The reduction in the output of new cars is leading car and truck owners to keep the cars and trucks already owned in good repair. One garageman, speaking to a representative of Canadian Automotive Trade, said: "Car dealers are getting ready to go after maintenance work in a big way. Competition is going to step up to a higher level, and that may be a good thing for everybody. We have already started to modernize our plant."

Inter. Utilities Fight Goes On

The independent stockholders committee for International Utilities Corp. has called a special meeting of stockholders to be held in Baltimore Aug. 19. The committee, headed by Paul C. Richardson, a director, seeks to oust the present board of directors and elect new members.

Opposing the extraordinary meeting of stockholders is the company itself and its officers. They seek to have the courts restrain the meeting and have a motion for a temporary injunction by William B. Yeager, newly elected president, before Justice Benjamin F. Schreiber.

The injunction motion asks the court to restrain the Richardson group from holding the Baltimore meeting.

Other defendants in the induction hearing are E. Laurence White, a partner in the Wall Street firm of Watson and White, J. A. Hodgson, Montreal, G. H. Storm, Greenwich, Conn., and W. B. Major, Bergenfield, N.J.

Control Fight Continues

This attempt to hold the Aug. 19 meeting is the latest step in a fight for control of the company which has been going on most of this year. Last month P. M. Chandler, president and chairman of the board of the company for years, resigned and was succeeded by Mr. Yeager as the president and W. F. Carey, New York, as chairman.

The independent committee claims to have demands for proxies of 52% of the total vote of the stock of International Utilities. These demands for proxies, it is pointed out, do not constitute actual proxies themselves.

S.E.C. Hearing

In the meantime International Utilities Corp. is appearing before the Securities and Exchange Commission which seeks to have certain changes made in distribution of voting power and capital.

The Commission contends that the present board of directors of International Utilities should be increased from 9 to 11, of which two would be elected by the $3.50 prior preferred, four by the $1.75 preferred, four by the class A stock and one would be elected by the class B stock. The Commission Counsel contends that presence of large dividend arrears is in itself sufficient reason for redistribution of voting power.

At present, according to the S. E. C., class B stock has 89% of total voting power and this stock has a negative book value of $1.7 million after considering the liquidation priorities of the $3.50 prior preferred, the $1.75 preferred and the class A stock. The class A stock, for which the S.E.C. finds the largest value, is said to have only 6.26% of total voting power while the $1.75 preferred has 4.74% of voting power. Under the present setup the $3.50 prior preferred is not entitled to any votes.

Effect of War Restrictions Shows in Auto Sales Drop

Effect of wartime restrictions on the production and buying of automobiles is reflected sharply in latest official reports on automobile sales in Canada.

There were further marked reductions in June in sales of new passenger autos, which have borne the full brunt of such wartime curbs as curtailment of output, heavier war taxes, higher prices, and restricted sales of gasoline. Sales of trucks and buses, not subject to such restraints, continued to show the substantial gains they have recorded every month since the first of the year, rising 21% in number and 32% in value over June, 1940.

Reported figures for both passenger cars and commercial vehicles are exclusive of deliveries to the Government for war purposes.

Decreases Marked

In June a total of 8,108 passenger autos was sold with a retail value of $10.6 millions, reflecting declines of 36% in number and 24% in value compared with June, 1940. Compared with June, 1939, the number was slightly lower but value was higher. The June decreases continued the downward trend shown in May this year, when sales dropped 39% in number and 27% in value.

In the first half of the year, passenger car sales show a net decline of nearly 17% in number and just over 2% in value, despite small gains in March and April. Truck and bus sales, in contrast, are up 23% in number, 28% in value for the same period.

Total sales of all types of vehicles are down 9% in number but nearly 4% higher in value.

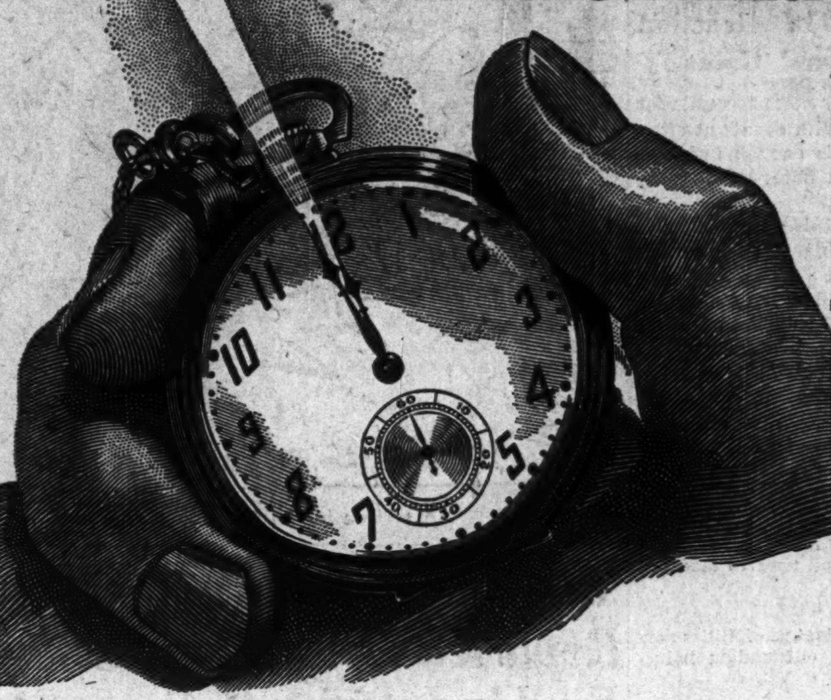
It is probable that these trends will be continued if not extended, in view of the prospective further tightening of the restraints on both the production and use of cars. At the same time, auto financing figures show purchases of used vehicles (all types) up 5% in number and 22% in value in June, bringing the gains for the first six months of 1941 to 16% and 31% respectively over the same period of 1940.

The shrinkage of new passenger car buying shown in the inclusive official reports for all Canada is approximately matched by Canadian Automotive Trade's analysis of new car registrations in eastern Canada. This reflects sales of new autos of leading makes in Ontario, Quebec and the Maritimes, and shows declines in number of sales of 30% in June, 12% in the first six months.

New Passenger Car Registrations In Eastern Canada
12 Leading Makes for the Month

	June 1941	June 1940	Year to Date 1941	Year to Date 1940
Chevrolet	1,548	2,044	9,279	9,722
Dodge	1,232	1,412	7,169	8,120
Plymouth	1,026	1,303	6,364	7,066
Ford	1,021	1,554	7,140	8,060
Pontiac	605	743	3,980	3,372
McL.-Buick	366	529	2,099	2,475
Oldsmobile	280	436	1,753	2,034
Mercury	224	357	1,485	2,080
Chrysler	106	128	603	966
Nash	89	54	492	297
Studebaker	48	293	346	1,254
Hudson	43	454	515	1,932
	6,588	9,307	41,225	47,378

The drink that made useful moments out of idle minutes



The hands that rule the world are on the face of the clock. Measure life how you will . . . you still can live it only one minute at a time. Busy minutes of work . . . happy minutes of play . . . sociable minutes . . . minutes alone . . . minutes of rest. Somewhere each day there will come to you a minute or two in which you will pause. This advertisement will tell you how you can make such a minute a pleasant, useful moment in your—or anybody's—busy life.

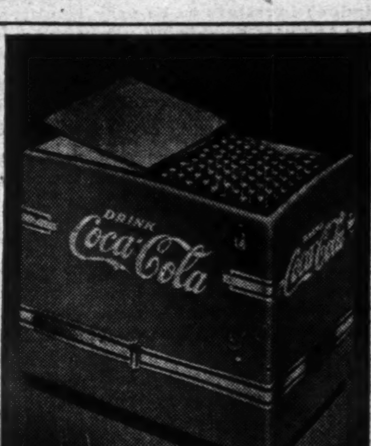
A pause is part of the pulse of life. So, the need to pause must come to everyone. No matter who you are, where you are, or what you do, you will pause in your activities several times today. Something else will happen. You, like millions of others, will get thirsty. Because of these facts, an idea has become a nation-wide industry.

It worked out like this;—take a pause plus thirst and add ice-cold "Coca-Cola" and you have *the pause that refreshes*. This "delicious and refreshing" drink adds to relaxation what relaxation always needs . . . pure, wholesome refreshment. Thus everywhere ice-cold "Coca-Cola" is doing an everyday job of good for every walk of life.

"Coca-Cola" had to be good to get where it is. People found that "Coca-Cola" is truly what it promised to be,—"delicious and refreshing," with the quality of genuine goodness.

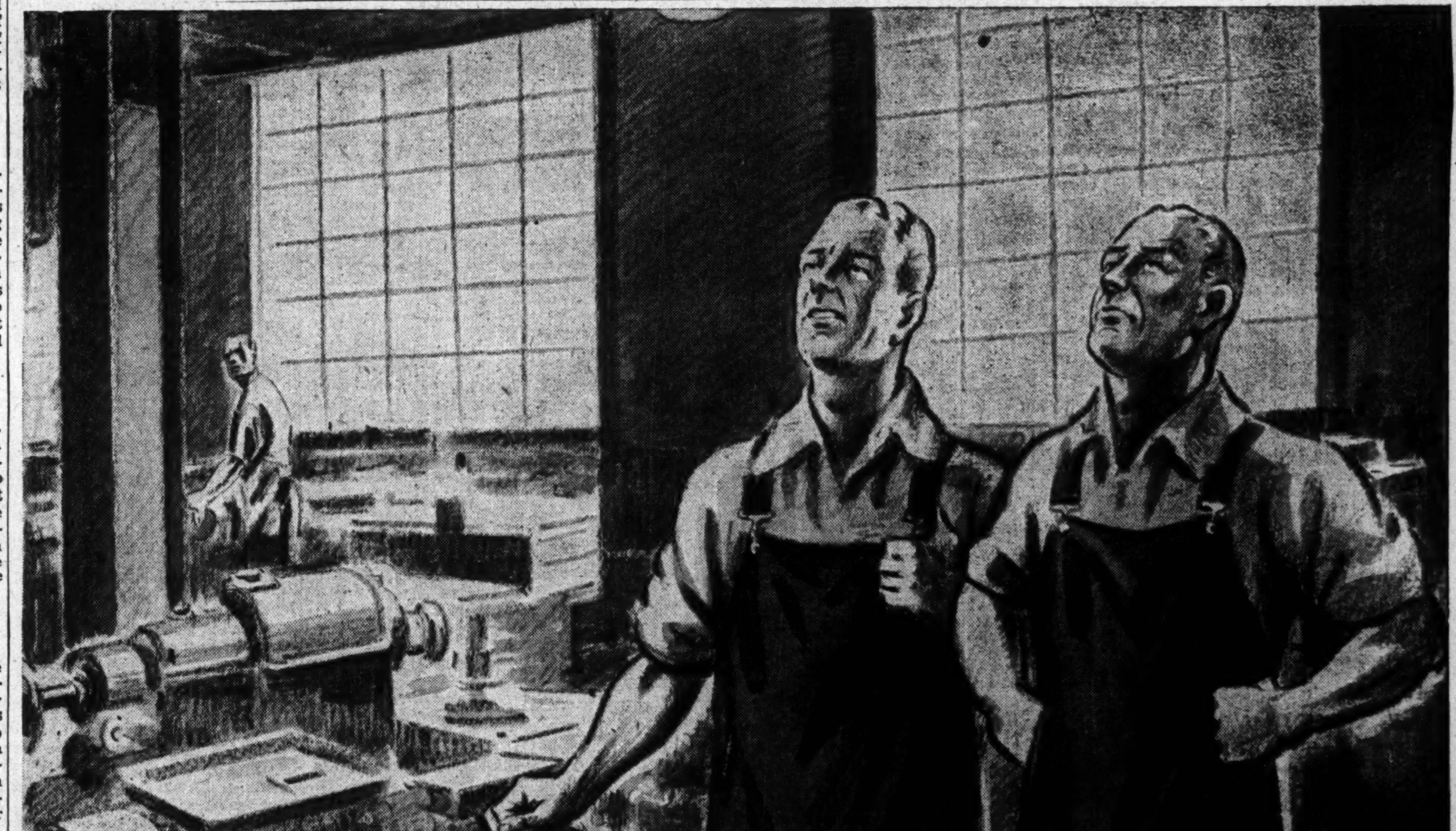
Into the story of this drink has gone time, work and far-seeing direction. When you raise ice-cold "Coca-Cola" to your lips, in that one moment hangs the fruit of many years.

Pause... Go refreshed
Coca-Cola



THE COOLER FOR "COCA-COLA"
These red coolers for "Coca-Cola" place ice-cold refreshment around the corner from anywhere. Thousands of them are in use today. Manufacturing coolers for "Coca-Cola" could be called a business in itself,—all an outgrowth of the fact that people every day want and need refreshing pauses in their busy lives.

Enjoy *The Pause that Refreshes* with ice-cold "Coca-Cola"
THE COCA-COLA COMPANY OF CANADA, LIMITED



AIR RAID ... and not a plane in sight!

No planes roaring overhead, no sirens screaming, in fact, it's only a thunder storm, and yet this plant is in danger of costly damage resulting in a disastrous delay. How? Through a faulty, leaky roof! Wise plant owners avoid the hazard of weather sabotage when they choose a Murray Registered Roof of Built-Up Pitch and Gravel. They know they are getting the finest of roofing materials, laid under careful Murray supervision and backed by the experience of a firm with a Dominion-wide reputation for making a specialty of good roofing.

When you specify a Murray Roof, a qualified Murray inspector is on the job — scrutinizing every pound of material used, seeing that construction specifications are followed to the letter, approving the final result, and placing a report and roof plan in the permanent Murray file for reference in follow-up inspection service. When considering roofing or re-roofing, investigate the advantages of having your name on the register of users of Murray Built-Up Pitch and Gravel Roofs.

B.&R.-20-3578
MURRAY Registered ROOFS
OF BUILT-UP PITCH & GRAVEL

Alexander MURRAY & Company Limited — Montreal — Toronto — Halifax — Saint John — Winnipeg — Vancouver . . . . Affiliated with Dominion Tar & Chemical Co. Limited (Canada's Largest Manufacturer of Pitch and Creosote) — and Canada Creosoting Company Limited.

41-4

GO 50/50 WITH OUR FIGHTING FORCES

LET'S ALL GO IN ONE CAR, AND . . .

Save Gasoline

REMEMBER: The slower you drive, the more you save!

Driving solo to the golf club may satisfy your ego, but it wastes gas. So the boys get together now and make one car do the work of four. They're all 50/50 Pledge men and this is how they make it good. Make YOUR Pledge good too. Walk more, drive less. Give our Fighting Forces first call on the country's gasoline.

Spare and Share your Gasoline for VICTORY!

Investment Trends

Market Psychology Stresses Caution

Last War Showed Tendency for Extended Periods of Inaction With 1917 Reaction Wiping Out Previous Two Years' Gains

Probably the more ominous note to recent war news accounts for recent hesitation on the part of stock markets. With events at crisis stage on several widely separated fronts, there is enough unfavorable psychology being generated to slow up the never-very-strong rally of last month.

Looking back at stock market action in the 1914-18 period, it is soon seen that the general pattern shows a resemblance to this war's trends. The year 1915 was a strong stock market year in the U. S.; it was also a year when there probably appeared only a remote chance of that country becoming directly involved but it was already clear that U. S. was in for a war-stimulated boom. Then 1916 showed few major changes in the averages. By 1917, when actual involvement of the United States was getting obviously closer, stock prices moved downward almost back to the levels of early 1915, wiping out practically all previous two year's gains. The year 1918 showed practically no change in stock prices and it was not until after the war that real strength was shown in the following year.

The parallel should not be taken too literally but it must be remembered that wars seem to bring long periods of hesitation and certainly induce investors to be very conservative and tend to discount favorable business or earning news.

Massey Preferred

Nothing has been heard of a Massey-Harris recapitalization plan since late June, when it became known that the directors were about ready to present a scheme to shareholders. Since then, it is understood, the board has been working on a revised plan which would have a better chance of getting acceptance from preferred shareholders. The latter group apparently would have nothing to do with tentative proposals to issue debentures and non-cumulative preferred for their present holdings and common shares for arrears. They wanted a greater assurance of regular income, heavier sacrifices by common shareholders and generally held that the first proposal would not work.

Market action of the preferred shares seems to reflect more optimistic ideas on the part of shareholders. In late June, about the time it appeared that the directors would present their plan, the preferred was traded around $33.75 a share. By July 29 it had risen to $45 a share and is still holding around $44. On the other hand the common has not reflected any better sentiments. On June 23 Massey common was traded around $2 3/8 a share. It rose only negligibly to $3 a share by the end of July and is now back a little under $3.

Nothing at all definite can be obtained as to when a recapitalization plan can be expected, but it is known that the matter has not been dropped in any way.

• • •

Canadians Low in N. Y.

Canadian stocks are priced far below their normal values, states Paine, Webber & Co., large New York Stock Exchange house. The statement, of course, applies to prices prevailing in New York, but much the same is true of Canadian prices. Reasons stated for this condition by Paine, Webber & Co. are:

1. Canada is a belligerent nation exercising wartime control, including price control.
2. Taxation is heavy.
3. Canadian currency is at a 9 to 10% discount from U. S. currency.
4. All dividends and interest payments to non-residents, such as U. S. citizens are subject to a 15% withholding tax.

This firm sums up the position of Canadian stocks by pointing out that one needs only to believe that a peace favorable to the democracies will sooner or later be consummated to realize the latent possibilities now offered by the outstanding industries of Canada.

It is admitted that there is no guarantee that present prices may not become lower before they improve, "but it is doubtful, in our opinion, whether any classification of equities can be regarded as having more dynamic possibilities when peace eventuates." For specific recommendations they mention Hudson Bay Mining, Imperial Oil, International Nickel, International Petroleum and Lake Shore Mines, all stocks listed and traded in New York.

• • •

Brazilian vs. C.P.R.

Last month, when shares of Brazilian Traction showed a sustantial appreciation and rose above Canadian Pacific Railway common, British investors did ascertain amount of switching from the former to the latter.

The argument used appears to have been that a good traffic position gives rise to hopes that dividends on C.P.R. common might be resumed in respect of the current year. Whether or not this is a sound expectation, we would not want to forecast, but would hesitate to be too optimistic about a C.P.R. dividend.

At the same time there has been speculation in London as to which Canadian stocks or bonds would be repatriated next, the expectation apparently being that Canada will take this method of satisfying its growing sterling balances. In this connection some opinion in London holds that Brazilian Traction is not likely to be affected by any moves of the British Treasury toward further vesting of dollar securities.

That some change in Canada's methods of financing its help to Britain is likely was forecast in The Financial Post last week. Such action apparently would not take British investors by surprise as they have been prepared by the financial press for changes more than once recently.

Canadian Club Leads Exports

Hiram Walker-G. & W. Brand Claimed Leader in U. S. Market

The "Canadian Club" brand of Hiram Walker-Gooderham & Worts Ltd. continues to be the largest selling imported whisky in the U. S. market, according to the company. Based on the latest available 12 month figures, this brand counts for 71.5% of Canadian whiskies, including all brands and bulk, taken into the United States.

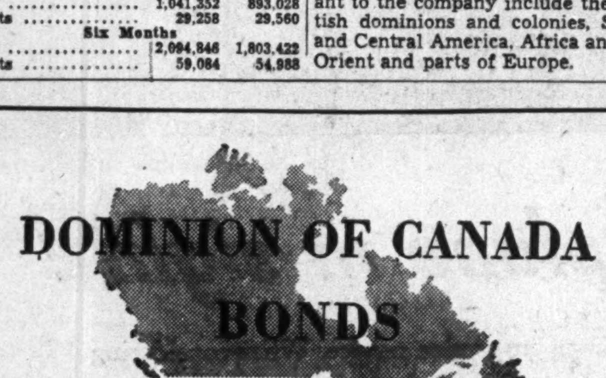
This whisky is regularly exported to 87 different countries. Business in these export markets is stated to be better than usual. The areas important to the company include the British dominions and colonies, South and Central America, Africa and the Orient and parts of Europe.

G. Tamblyn Ltd. Sales Well Up

Higher income taxes more than offset better sales volume for G. Tamblyn, Ltd., in the second quarter of 1941. For the first six months of this year, however, profits are still moderately ahead of the corresponding period of 1940.

	1941	1940
Second Quarter	$	$
Sales	1,041,352	893,028
Profits	29,258	29,560
Six Months		
Sales	2,094,846	1,803,422
Profits	59,084	54,988

DOMINION OF CANADA BONDS



THRIFT

Many Canadians today are practising thrift by refusing to purchase non-essentials. By so doing they release labour for the more important work of producing war supplies. Savings resulting from such patriotic thrift can be invested in Dominion of Canada Bonds

Our nation-wide facilities for the purchase and sale of Dominion of Canada Bonds and War Loans are at the disposal of investors at any one of our Branch Offices throughout Canada.

VICTORY LOAN — 1941

Bought and Sold

NESBITT THOMSON & COMPANY, LIMITED

355 St. James St. West, Montreal

Branches in the principal cities of Canada

193A

Les Vilains sont Vexés par les Villageois Vaincus

A cartoon in "Le Jour," Montreal.

'Cap and Gown' Prospectors Reported on Spectacular Find in Interior B. C.

From Our Own Correspondent

VANCOUVER.—Scores of prospectors are moving into the Yalakom country, northeast of Bridge River, following the report of one of the most spectacular gold discoveries in British Columbia in more than a decade.

So far the details have been fragmentary and until the stories floating down from Lillooet are substantiated it is difficult to specify the nature of the find. However, it is known that Bralorne Mines management thought well enough of the report to send a party in to stake ground, and other established companies are also interested.

The Yalakom is a plateau 6,000 feet above sea level and difficult of access. The country is extremely rugged and the ground on which the gold strike was made is well above timber-line.

Partner in the claim where the richest ground was staked is Bill White, who has been taking a special course in geology at the University of Toronto. He and his partner Tom Illedge are in striking contrast to the hard-boiled, bearded prospectors of old who staked most of British Columbia's most profitable properties. They are both in their early 20's, university graduates with very comfortable homes behind them. They used scientific methods in studying the complex geological conditions of the Yalakom. For two years White was assistant to Dr. Harry Warren of the geology department, University of British Columbia.

George Murray, M.L.A. at Lillooet, reports the gold runs more than $100 to the ton. Because of transportation costs it would have to be rich to make development profitable. The Yalakom, although long neglected, has been regarded by mining experts as a promising ground for prospecting and possibly the scene of British Columbia's next important goldfield.

Company Reports

Agnew-Surpass

Agnew-Surpass Shoe Stores Ltd. reports sales of $4 millions in the year ended May 31, after eliminating sales from factory to store company. This is an increase of $719,-857 over last year.

Net operating profit increased to $460,274 from $319,423, while net profit rose to $244,257 from $193,-717 in the preceding year. Provision for income and "excess" profits tax amounted to $174,743 last year, against $97,167.

It is explained provision for "excess" profits has been calculated after applying an inventory reserve permitted by the Act. If there is an additional liability it can be determined only as a result of changes in future inventory prices or termination of the Act, it is noted.

Net was equal to $2.29 a share on the common stock, compared with $1.66 in the previous fiscal year.

Working capital position was slightly improved during the year, rising to $1.1 million. Cash rose to $279,466 from $50,150, while accounts payable increased to $319,664 from $214,018.

The company purchased three preference shares, reducing shares in the hands of the public to 8,759.

Three new stores were opened and four closed, leaving 78 in operation at May 31.

Income and Surplus Account
Years Ended May 31

	1941	1940
	$	$
Gross sales	4,048,748	3,328,891
Net oper. profit	460,275	319,423
Add: Misc. adjusts.	817	867
Less: Depreciation	41,502	28,716
Inc. & profits tax	174,743	97,167
Directors' fees	590	690
Net profit	244,257	193,717
Less: Pref. divds.	70,000	70,000
Less: Subsid. portion	8,671	8,666
Com. divds.	80,000	72,000
Less: Subsid. portion	44	152
Subsid. min. divd.	52	40
Surplus for year	102,920	60,495
Add: Prev. surplus	455,358	394,863
Surplus forward	558,278	455,358

*After deducting executive remuneration and legal fees of $65,440 in 1941 and $57,085 in 1940.

	1941	1940
Earnings per Share:		
7% preferred	$27.89	$22.11
Common, n.p.v.	2.29	1.66
Working Capital	$	$
Current assets	1,890,587	1,606,021
Current liabilities	573,590	409,715
Working capital	1,316,997	1,196,306

N. A. Elevators

North American Elevators Ltd. reports gross earnings from elevation, shovelling, storage and other charges almost doubled in the year ended April 30, 1941, as compared with the previous year. After allowing for all expenses, including bond interest and taxes, net profit is equivalent to $17.77 a share on the first preference stock compared with $6.71 a share for the 1939-40 period. Last year dividends totalling $5.25 a share were paid, leaving arrears at $49 a share as at Dec. 1, 1940. It is stated that first preference dividend arrears totalled $158,-376 at April 30 last which exceeded balances available in first preference shareholders' appropriation account by $107,159.

Better earnings are stated by C. H. Burgess, president, to be due to "a slight increase in volume of business throughout the year and capacity storage demand." He adds that income tax provision is the minimum amount payable based on the company's calculations and is subject to review by income tax authorities.

Balance sheet shows an excess of current liabilities over current assets but the company has repaid a bank loan which amounted to $100,-000 at April 30, 1940, and was not included among current liabilities. Outstanding bonds have also been reduced from $425,800 to $393,400. The company owns and operates a terminal grain elevator at Sorel, Que.

Income and Surplus Account
Years Ended Apr. 30

	1941	1940
	$	$
Gross earnings	436,395	256,611
Less: Oper. expenses	188,715	98,954
Administrative exp.	33,296	16,178
Executive salaries	17,000	10,000
Legal expenses	245	802
Directors' fees	380	555
Net earnings	196,759	130,122
Less: Depreciation	64,578	64,477
Interest	41,049	33,447
Inc. & E.P. taxes	35,000	11,000
Net profit	56,132	21,198
Add: Prev. surplus	......	*21,678
Profit on bonds red.	400	350
Power adjustment	......	4,943
Less: Loss on land sale	4,000	......
Trans. to 1st pref. approp. acct.	52,532	4,813
Balance	nil	nil

*Deficit.

	1941	1940
Earnings per Share:		
1st preference	$17.77	$6.71
Paid	5.25	nil
Shares O/s:		
1st pref., $100 par	3,157	3,157
2nd pref., $100 par	3,000	3,000
Common, n.p.v.	100,000	100,000
Working Capital	$	$
Current assets	38,679	76,503
Current liabilities	51,222	54,899
Working capital	*12,543	21,604

*Excess of current liabilities.

Maritime Tel. Hits New Peak

From Our Own Correspondent

MONTREAL.—Number of stations on the Maritime Telegraph & Telephone Co.'s system at the end of June 1941 established an all-time record, amounting to 49,279, as against 48,-728 at the end of the previous month.

The Island Telephone Co., a subsidiary, reported 4,594 stations at the same date, a net increase of 45 during June.

Heavy Toll Traffic

Toll traffic on the company's system was exceptionally heavy in June, there being 178,991 completed toll calls. This represents a gain of 36,761 calls more than the corresponding month of last year.

For the first half of the year Maritime Telegraph & Telephone handled 187,928 calls more than in the like period a year ago.

Alberta Bond Refunding Planned

From Our Own Correspondent

EDMONTON.—Conferences on a refunding scheme for Alberta's public debt of about $147 millions will begin in Edmonton next week. The meetings will be held by a joint committee representing bondholders and the Provincial Government.

Clearing the way for these meetings was a conference held here between the Aberhart Cabinet and bondholders representatives. Where two previous meetings of these groups failed to reach any agreement—in 1936 and again in 1938—the latest conference progressed to the point where both parties agreed to permit a refunding discussion by a special joint committee.

J. M. Macdonnell, of Toronto, president and general manager of the National Trust Co. Ltd., and R. D. Tighe, K.C., of Edmonton, chairman of the Northern Alberta Bondholders' Protective Association, headed the financial group in the preliminary talks.

Following the meeting, Premier Aberhart announced it was agreed to let a committee consider immediately "ways and means of evolving a refunding plan satisfactory to the province and to the bondholders."

Interest Question

It was reported no discussion took place on a proposed interest rate under a refunding plan. Other details also were left for the committee to consider.

For the main refunding talks, the province has named four representatives to look after its interest: Hon. Solon Low, provincial treasurer; Hon. N. E. Tanner, minister of lands and mines; Hon. Dr. W. W. Cross, minister of health and relief, and J. F. Percival, deputy provincial treasurer.

Besides Mr. Macdonnell and Mr. Tighe, bondmen at the meeting with the Cabinet were: H. W. Tatlock, South Orange, N.J., representing the Prudential Insurance Co. of American and other U. S. interests; R. J. Dinning, Edmonton; H. A. Howard and R. C. Carlyle, Calgary.

High Hamilton Bridge Volume

Capacity Operation of Plants Prevails but Profit Margin on Much of Work Small

Volume of production at the plants of Hamilton Bridge Co. is being maintained at capacity due both to normal work and to that associated with the war effort, The Financial Post is told. To avoid post-war dislocations, expansion of productive facilities is being limited to the minimum required. It is stated that present work is being done on a comparatively small margin of profit.

The company, along with other structural steel companies, has filed a brief with the Board of Referees asking for special consideration under the Excess Profits tax. This matter is still before the Board.

C. C. Wales, vice-president and general manager, is exercising his option on 500 shares of the company's common stock in accordance with the agreement dated Aug. 15, 1939. The agreement covers 2,500 shares altogether, of which 1,500 shares remain under option.

Lumber Dealers Business Higher

From Our Own Correspondent

MONTREAL.—Canadian lumber dealers in the first half of the current year enjoyed considerably better business, the Maritime Lumber Bureau reports.

The Dominion Timber Controller is reported to have a large volume of business for the industry, requiring select and structural grades. "Requirements for government projects might reach last year's volume.

Construction contracts awarded in the first half of the year totalled $215.5 millions, the Bureau reports, compared with $125.8 millions in the same period of the previous year, representing an increase of 71.7%.

Forecast Price Rise

Car loadings of lumber, pulpwood and other forest products showed large gains in both eastern and western divisions for the first half of the year.

Price control has maintained prices on an even keel in Canada, while U. S. markets have experienced price rises that have brought the general level of prices in that country above Canada's.

Because of rising production costs, the Bureau looks for higher prices here. It notes strengthening in recent weeks. Prices on Maritime markets continue to approximate those paid for United Kingdom shipments.

Significant Investors' Index Numbers

	Mach. and equip.	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied prod.	Beverages	Bldg. mater.	Power and traction	Banks	Total utilities	Total co's.
No. of Securities	8	7	3	4	10	12	7	15	15	8	19	95
(Base 1935-39=100)												
1929-40:*												
High	345.7	564.5	322.3	212.5	168.2	123.2	163.1	202.1	297.5	160.9	329.3	180.7
Low	68.5	49.8	63.6	46.5	76.0	76.9	67.0	71.2	68.2	84.6	68.4	64.0
1941: Monthly Figures:												
Jan.	77.6	74.1	72.3	51.6	110.6	96.8	104.3	84.0	75.4	94.7	77.3	71.3
Feb.	72.9	63.8	69.5	48.7	105.0	90.1	96.6	77.3	68.8	90.9	71.3	66.5
Mar.	73.6	65.4	69.5	49.5	103.1	87.9	93.7	78.5	67.0	89.9	70.7	66.8
Apr.	73.2	63.9	68.6	49.4	101.3	88.6	88.1	77.8	62.2	89.7	68.2	65.8
May	71.8	59.7	63.4	51.3	97.4	88.6	82.8	74.4	60.3	88.3	65.2	63.9
June	70.2	59.5	67.5	48.0	101.1	90.1	87.3	74.9	62.0	89.0	67.1	64.0
Weekly Figures:												
July 17	75.5	65.8	66.6	47.9	104.4	88.8	93.7	76.4	65.7	89.7	70.3	66.6
July 24	76.6	64.8	67.2	48.6	105.6	89.5	93.1	77.6	65.1	90.1	70.5	67.5
July 31	76.7	66.1	67.0	48.3	107.6	93.4	97.0	78.8	64.3	89.3	70.8	68.0
Aug. 7	77.2	70.4	71.3	49.8	107.9	91.4	95.5	80.0	64.6	89.6	71.5	68.1

*High and low for year from 1929 to 1940 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Aug. 12	93.89	101.45	68.62	19.78
Aug. 11	93.93	101.65	68.80	19.71
Aug. 9	94.31	101.80	69.45	19.95
Aug. 8	94.39	102.27	69.69	20.09
Aug. 7	94.27	102.69	69.70	19.64
Aug. 6	94.56	102.21	69.58	19.67
Month ago	92.28	101.28	67.24	18.56
Year ago	92.99	86.57	61.15	19.75
High 1941	103.48	109.76	70.07	21.62
Low 1941	85.87	95.68	59.30	16.73

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Chd.	10 Pprs.	15 Golds
Aug 12	45.0	60.0	55.0	74.76	72.24
Aug. 11	44.9	60.4	55.2	75.09	72.87
Aug. 9	44.9	61.0	55.6	76.78	72.99
Aug. 8	45.0	61.3	55.9	77.14	73.07
Aug. 7	44.9	61.2	55.8	78.48	73.03
Aug. 6	45.0	60.5	55.4	78.33	72.76
Month ago	45.9	58.9	54.5	69.41	70.92
Year ago	53.1	61.1	58.4	82.82	65.16
High 1941	54.3	66.4	62.3	82.25	79.99
Low 1941	42.1	52.3	49.3	58.96	67.38

The New Bread Situation

New Rules Help Defer Price Increase

The order of the Dominion Government to the Canadian bakery industry to stop slicing bread and to use only single wrappers on bread, when added to the effect of the recent rescinding of the wheat processing tax, appears to have staved off an increase in bread prices.

How long this will be the case can hardly be forecast. It depends on a number of factors such as wage rates, cost of other materials particularly shortening and sugar. But the baking industry seems agreed that prices in Canada can stay where they are for some time to come.

Estimates of the saving in eliminating sliced bread and reducing wrappers are somewhat difficult to get, but it appears, that they do not amount to more than about one fifth of a cent a loaf.

To this may be added the saving from the end of the wheat processing tax. This tax was equivalent to 70 cents a barrel on flour and the bakers had to pay all of it without the alternative of passing the cost along to the consumer. As an average of about 190 loaves of bread is obtained from a barrel of flour, this tax cost the bakers about one third of a cent a loaf, based on a loaf of 24 ounces.

Thus the combined saving works out to .56 of a cent a loaf. This saving is estimated sufficient to offset increasing costs for the present at least.

It is not all a clear saving, however. Costs keep going up. For example, higher prices for shortening, effective about the time the processing tax came off, offset about half of the third of a cent a loaf that was saved from the ending of the processing tax. Thus the bakers appear to be left with a saving even in this short period of only a little more than a third of a cent a loaf with which to handle other costs.

Where Saving Comes

Eliminating sliced bread means savings in more than one way. Sliced bread ordinarily has an inner "plain wrapper which will no longer be needed. While the operation of slicing machines is automatic and most bakeries have them already installed, they require more careful supervision than when bread is not sliced. Then these machines wear out and have to be replaced or repaired. There is less handling to the bread when it is not sliced.

There is little concrete guidance as to the margin of profit the baker enjoys per loaf of bread sold.

The best that is available comes from the recently published statement of Canada Bread Co. This firm realized a net profit of one seventh of a cent a loaf on all its production last year. In the preceding year its margin was one-quarter cent and two years ago it was a half cent a loaf. Thus the apparent net reduction in costs resulting from the latest Government orders means that the margin per loaf is back again to about a cent, or the equivalent of the 1939 figure.

Bread in Family Budget

Importance of bread in the family budget can be estimated from figures published by the Dominion Bureau of Statistics. Based on prevailing retail prices in Toronto, bread apparently accounts for 6.2% of the weekly family food budget if the lowest priced bread is bought, or 8.3% if the standard 10 cent loaf is used.

This is calculated from the average bread purchases of 11.9 lb. weekly by the average family of 4.6 persons in Toronto and based on a 24 oz. loaf. It would vary for other cities according to whether bread was relied on more or less as a food and according to local variations in bread prices. The range given here of from 6.2% to 8.3% probably covers most of the Canadian cities.

Generally speaking there is a converse relationship between bread and flour consumption in Canada. Montreal with the second highest bread consumption has the lowest family consumption of flour. An exception is Winnipeg which has the highest average bread consumption and the second highest flour consumption. How bread consumption and the family food budget as calculated by the D. B. S. varies for the larger Canadian cities is shown by the following table.

Weekly Family Budget Figures

	Consumption of Bread	Consumption of Flour	Weekly Food Budget June, 1941
	lb.	lb.	$
Halifax	9.0	3.6	9.44
Saint John	10.1	4.8	9.30
Montreal	12.8	2.2	9.14
Toronto	11.9	2.5	9.45
Winnipeg	13.1	4.3	9.14
Saskatoon	10.5	4.1	8.65
Edmonton	10.6	3.4	8.56
Vancouver	10.9	4.2	9.81

Market Opinions

It appears that most stock market commentators this week are apprehensive of a reaction following the substantial gains of recent weeks.

Barron's, New York (The Trader)—Indicating a palpable lack of aggressive buying power, stocks have for a full month failed to score net progress. Rare have been instances of confident, informed purchases. Characteristic of wartime is the current conflict between deflationary and inflationary forces. The frail factor of sentiment, largely responsible for the June-July rise has suffered a blight, and until it revives or until powerful buying makes its appearance, the stock market is more likely to relapse into its earlier status of accumulation than to march into new higher ground.

• • •

Barron's, N. Y. (The Dow Theorist)—Recent fluctuations have been too small to be of much consequence. What is of some importance, however, is the lack of progress in the average during this period, following an advance of about two months. The market is evidently consolidating that advance, and such a process sometimes involves a real correction. On the principle that a correction generally retraces one third to two thirds of the previous movement the averages might fall to about 120 and 28 respectively without changing the character of the market.

• • •

Magazine of Wall Street, N.Y.—We think the market odds remain generally on the favorable side. We doubt that the current reaction in the Dow-Jones industrial average will extend below 127, but concede that it might reach 124-125. In either case we would regard it as opportunity for selective buying.

• • •

Brookmire Counselor, N.Y.—Following a rather sizeable rally such as has been in progress in the stock market since late spring, a period of consolidation or correction would not be surprising. The fundamental background of business and earnings however, remains favorable. The possibility of adverse war news implies that clients with new cash becoming available from dividends or other sources might now let it accumulate for a time; but the underlying expansion justifies maintaining well-diversified holdings in sound stocks.

• • •

Investors' Chronicle, London (July 12—An acute shortage of stock accelerates the upward movement under the present system of cash dealings, but the rises recorded indicate what might happen should really good war news be received. Holders of sound stocks, influenced by the trend of markets during the last 12 months, are indisposed to sell, mainly because of the difficulty of replacing their holdings, and there is the favorable background of a gilt-edged market, which, allowing for temporary halts, seems destined for higher levels.

Improvement in equities has been attributable to investment buying rather than to purchases by those taking a view. Inflation evidently is to be kept in check at all costs, and for the time being the yield factor must remain paramount in the market for equities. A policy of "selective" buying must therefore still be recommended.

• • •

Financial World, N.Y.—It may well develop that whatever "digestion of the rise" is necessary will be accomplished by further see-sawing rather than by any abrupt decline. In any event, a 10-point drop in the industrial average would—if all stocks were affected proportionately—mean a 2-point dip in a $25 issue. And because of the timing risks involved this is obviously of insufficient importance to warrant sales now in the hope of buying back later at a lower price. As a powerful brake against any really important liquidation there remains the prospect of a continuing cheapening purchasing power of the dollar, and all that that implies with respect to equity prices. Any temporary price set-back that may develop can well be used to add to one's holdings of good income paying stocks.

Investment Notes

de Havilland Aircraft—The company is said to be participating in a recent sale by Canada to the United States of $16 millions of trainer planes. de Havilland's share of this is the manufacture of 200 Tiger Moth Trainers. The total deal may be increased to $25 millions in the near future.

• • •

War Orders — Among the list of contracts awarded by the Department of Munitions and Supply in the week ended July 29 are the following which went to companies of public investment interest. This list only includes a few of the larger items:

	Description	Amount
Canada Packers	Foodstuffs	$ 557,381
Dominion Textile	Clothing	505,700
Gen. Steel Wares	Personal equip.	394,872
Ford of Canada	Land transport.	475,269
Imperial Oil	Fuel	1,505,470
Can. Westingh'se.	Ordnance	706,212
Dom. Foundries	Ordnance	1,113,642
Inter. Metal Ind.	Munitions	323,622

• • •

Canada Dry—Out of net income of $1.2 million reported for the nine months ended June 30, 1941, 10.3% came from the company's wholly owned Canadian subsidiary. This compares with 10% for the corresponding nine months ended June 30, 1940. It is pointed out that provision for U. S. and Dominion of Canada income taxes for the nine months ended June 30 this year was equivalent to 90 cents a share compared with 32 cents a share for the previous period.

• • •

Distillers Corp.-Seagrams — Wellington Fund, large U. S. investment trust, added 400 shares of this company's common stock to its previous holdings in the first half of 1941. Wellington Fund now holds 1,900 shares of Distillers Corp.-Seagrams common.

HAVE YOU A PRODUCTION OR ADMINISTRATIVE PROBLEM?

Experienced Executive Available

A senior executive of proven performance in administrative, financial, sales and production experience is available—especially successful in getting at the heart of a problem, providing remedies and getting things done.

Your correspondence confidential.

Please write "Executive", Box H42, The Financial Post, Dominion Square Building, Montreal.

Buy War Savings Certificates and War Savings Stamps

Serving Canadian Finance and Industry for Many Generations

BRITISH AMERICAN BANK NOTE COMPANY LIMITED

The Old Canadian Company—Established 1866

HEAD OFFICE • OTTAWA
262 Wellington Street

511 Place d'Armes, MONTREAL — 1110 Montreal Trust Bldg. TORONTO

HOWARD W. PILLOW, President — CHARLES G. COWAN, Vice-Pres. & Man. Dir. — G. HAROLD BURLAND, Sec.-Treas.

Why Hitler Tries to Destroy Gold

The Nazi attack on gold is part of a definite campaign to undermine Canada, the British Empire, the United States. Yet we in Canada — vitally dependent upon gold for our prosperity — are indifferent.

Are we fighting back to insure the place of gold in the world's money of tomorrow? Or are we playing Hitler's game by playing around with ideas of new money systems in which gold will have no part?

Read what gold means to Canada in

"THE GOLD STANDARD" by W. REDELMEIER

The author of this most informative and stimulating book is a distinguished Netherlands banker, now resident in Canada, who wrote his study for private circulation. A limited number of copies, however, are available at a dollar each, the proceeds being turned over to Canadian war hospitals.

Order Direct from

THE FINANCIAL POST

481 University Ave., Toronto, Canada

Please enclose dollar with order.

Bond Markets

Alberta Moves Toward Clearing Debt Default

Bondholders and Provincial Treasury Board Joint Committee Charged With Evolving Scheme to Refund More Than $140 Millions

Promise of a new era in Alberta finance is given by announcement of the Alberta Government that a committee, representing bondholders and the province, is considering a refunding plan for Alberta's long defaulted debt.

After many reported negotiations toward refunding the debt, official blessing has finally been given to an attempt to remove the stigma of default that has hung over the province for more than five years.

Favorable aspects of the development were mirrored in an extension of the strength shown by the province's securities in the past several weeks.

Magnitude of the task of reaching a mutually satisfactory plan for more than $140 millions of debenture debt, however, should caution investors against undue optimism about the fate of negotiations or about the speed with which a final settlement can be reached.

Bondholders' Concessions

There has always been a marked divergence of opinion (to put it mildly) between Social Crediters and bondholders since the provincial government arbitrarily halved its interest payments in May, 1936. Concessions on both sides will be necessary before a plan of refinancing can be evolved.

No concrete plan was advanced by the bondholders at the opening sessions with the Alberta Cabinet. Actual negotiation of terms will be left to the committee, appointed by bondholders to discuss terms with the Alberta Treasury Board.

All experience points to concessions from debenture holders on coupon rate and probably maturities.

The main point at issue will be whether Alberta can or cannot pay its interest debt at contractual rates.

The Alberta Government defaulted on its debt on the grounds that it was not able to service it at full interest rate. It has steadfastly maintained that position.

* * *

Suggests Compromise Plan

Two sources have ruled on the point of contention. Dr. Jacob Viner, University of Chicago, hired by the Aberhart Government, reported in Oct., 1939, that Alberta could pay more than 50% of the coupon rate, but could not pay the full rate. He believed a rate somewhere between the two extremes could be paid. He recommended a compromise to the Government.

The Bondholders' Protective Committee in an earlier investigation found the province could meet its obligations in full.

Bondholders generally have been willing to make what they believed reasonable concessions, but the Alberta Government maintained an uncompromising attitude on the question of default settlement.

The willingness of the Aberhart Government now to negotiate may indicate a change of heart, prompted by the exigencies of war finance; a decision that now is the most opportune time to refinance the province's debt, or a combination of these factors.

* * *

Carried By War

Since the outbreak of war the province has been swept along in a current over which it has had no control. Refusing to consider the Sirois financial recommendations as a basis for synchronizing its plans with those of Ottawa for war, Edmonton is now faced with a less voluntary scheme. If it continues to maintain its economic isolation, the Alberta taxpayer will be the loser, forced to pay to a wartime government and maintain the provincial authority at normal levels. The Social Credit Government is thereby put on the spot. The Social Credit ideology clashes with the harsh realities of war.

Willingness of the Alberta Government to negotiate on its debt, however, might signify a more realistic attitude and a desire to restore its credit position. If that assumption is correct, Alberta securities might rate much better than present levels.

Figuring in the discussions will be the position of bondholders who have accepted the arbitrary reduction. Will these individuals be given equal rights in consolidation of interest arrears with those debenture holders who have not cashed their coupons?

* * *

Market Tone Better

Bond markets have been receiving a new interest in recent days. High-grade, provincial, municipal and corporation obligations have firmed on good demand. Investment houses generally report any good type of bond or debenture finds a ready market. Canada's war issues have improved, while provincial securities in the past week have further extended their gains. More speculative issues have been active.

* * *

Manitoba Refunds

Manitoba has refunded $2.1 millions of 4½% debentures which matured Aug. 1. Of this sum $706,000 was found in sinking fund set aside for that purpose. Two other issues were sold to meet the maturity: $666,000 was sold in the United States, carrying a 3% coupon for two years, and $750,000 was placed in Canada with institutional buyers. The latter issue carries a 3½% coupon and matures in 4½ years.

The matured issue was payable in U. S. funds, and the refunding reduces the province's liability in U. S. currency from an obligation of $2,122,000 to one of $666,000. The province will save $17,490 annually by the operation.

Classified Advertisements

Classified ads. cost 4c. per word and figure for each insertion. Minimum ad. 12 words. Add six words when box number is required. When replies are to be mailed to advertiser, add 10c. Classified ads. payable in advance. Contract rates on application.

Position Wanted

YOUNG business woman now employed wishes position where wider opportunity is offered. Highly qualified as secretary or staff supervisor but willing to enter new field or go anywhere. Box 118, The Financial Post, Toronto.

'DOMINION' Envelopes
OF EVERY DESCRIPTION
DOMINION ENVELOPE CO. LTD.
TORONTO
PHONE EL7271
BRANCHES
MONTREAL WINNIPEG

"Britain Delivers the Goods"

and still continues to produce fine woollens, despite heavy enemy action.

An exceptionally fine assortment of worsteds and tweeds for Spring wear have now arrived. May we have the pleasure of showing you these fabrics.

Levy Bros.
MAKERS MENS CLOTHES
69 KING STREET WEST, TORONTO

Newfoundland Income Increases in July

The Newfoundland Commission of Government reports revenue of $1.3 million in July, the first month of the current financial year. This represents an increase of $273,128 over the same month last year.

Expenditure totalled $1 million during the month, a decrease of $22,194 from July, 1940.

Bond Tenders

Aug. 20—Salaberry-de-Valleyfield, Que.—$43,000, 4%, 20-year installment.

12 o/c noon, Aug. 14—Canada Treasury Bills—$40,000,000, dated Aug. 15, 1940, payable Nov. 1, 1941.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Victoria Realty .	*6%	1948	Aug. 15	102½
Montreal Refrig.	▪6%	1947	Dec. 1	par
Wood, A. & J ..	6%	1944	Aug. 15	†
Remington R.	*4½%	1956	Sept. 1	par
Inter. Paper ...	‡6%	1955	Sept. 1	105

*All outstanding balance.

▪All outstanding balance. Compnay will purchase bonds prior to the redemption date at 102, including accrued interest.

†$30,000.

‡Drawn by lot: $407,500.

With spectacular realism, the Canadian Ford Company will present Canadian fighting machines in action at the Canadian National Exhibition. A special proving ground, complete with dirt track, "shell holes," water hazards and other obstacles designed to test the stamina and performance of army trucks, artillery tractors and Universal carriers, is being constructed at Exhibition Park. Test drivers will put the war vehicles through their paces four times daily and free seating accommodation is being provided for several thousand spectators. Canadian Ford produces more than 20 different types of vehicles for military use and has supplied Empire armies with more than 90,000 units to date.

War and the Municipalities

Horton Sees Ontario Counties Free by 1946

The majority of counties in Ontario will be entirely free of debt before 1946, and by 1949 the outstanding debt of cities, towns and villages generally throughout the Dominion will have decreased something like 30%. This statement was made by E. A. Horton, Chief of Survey for the Citizens' Research Institute of Canada in an address before the Life Officers' Investment Seminar at Indiana University recently.

The practice of issuing municipal debentures for auxiliary war services and for patriotic grants, so prevalent at the beginning of the last war, has been practically abandoned this time.

For the most part, present control of municipal debt issues is such that it can be issued only where it is absolutely necessary for reasons of public health and safety. All other needs must be taxed and paid for out of current revenues, states Mr. Horton.

Mr. Horton was discussing the position of various government bodies in Canada in this war, the 1914-1918 period and from 1920 to 1939. He went on to discuss the position of national income on the Federal Budget and wartime controls in Canada.

Junior Governments Cut

His conclusions regarding these financial matters with respect to the various government bodies follows:

(1) Municipal taxation is decreasing and has not followed so far the sustained increases of the last war.

(2) Provincial expenditures are not expanding compared with the increase experienced previous to 1939 and there is every reason to believe that substantial reductions in provincial expenditures will come about.

(3) The increase in the national income is, so far, more than sufficient to offset any worry with respect to the total Canadian ability to pay.

(4) Income, corporation taxes and defense levies have so far been paid cheerfully and completely by the Canadian people and there are vast pools of untapped credit yet available.

(5) In the recent War Loan, second of this war period, $600 millions was authorized; total subscriptions amounted to $823 millions; every indication was given that an extended subscription period would have considerably added to this total.

Taxes Jump 1914-1918

Mr. Horton brings out some interesting facts with regard to what happened following 1914. He points out that municipal and school rates were increased materially in most sections of Canada in the period of 1914 to 1918.

As an example, Victoria boosted its mill rate from 22.35 to 27.77. Edmonton's mill rate rose from 17.5 to 30. For Winnipeg the gain was from 14.8 mills to 20 mills. Toronto showed a jump from 19.25 mills to 30.5. In Montreal it was an increase from 14 mills to 19.93 and in Halifax the mill rate rose from 20 to 25.4 mills.

Canada had just completed a vast expansion in 1914, due to the opening up of the West, and the carrying charges from debts incurred for large governmental undertakings was just beginning to affect the taxes. Bursting of the western boom also brought increased interest rates, particularly in western areas. Increasing general use of motor vehicles was creating a need for hard surface roads, then almost non-existent.

Higher wage and material costs following 1915 added considerably to the increasing operating expenses of the municipalities. Also many municipalities entered into auxiliary war undertakings such as the financing of hospital units, the insurance of soldiers and the continuance of salaries and wages of municipal employees that enlisted.

Average Increase Five Mills

As a result, taking 16 major cities in Canada, the average increase in combined municipal and school taxes was over five mills on the dollar of assessed value for the period 1914 to 1918.

Then in the decade of the 1920's Canadian municipalities, Mr. Horton points out, went on a spending spree. Greatly increased debt service charges resulted from all kinds of new local improvements, educational facilities, fire and police protection and other items. Ontario cities, for example, in 1925, reported a tax levy of $45.42 per person and by 1931 this had risen to $52.25 per person. Then came the depression of the 1930's and in 1931 it became legal by provincial-municipal laws to issue and tax for unemployment relief expenditures.

Default Period

As a consequence, with shrinking revenues from current taxation and with added and new costs of unemployment relief, many municipal defaults followed. In Ontario alone, up to 1935, some 35 municipalities representing a debenture principal and interest default of $108 millions were forced to defer annual debt services.

The Provincial Government operated a system of municipal supervision over the full scope of municipal operations for those municipalities in default. Expenses were cut, capital expansion eliminated, and operations placed on a pay-as-you-go basis. Before long these defaults were controlled to a point where reserves for the payment of interest and principal were sufficient again to commence repayment to the investors. Necessary tax levies were pegged or increased to meet the local situation.

Pre-War Improvement

Canadian municipalities entered the current war with very much improved fiscal positions. Current tax collections have been rising since 1937 for most and the application of new debts decreasing. Fortunately the burden of unemployment relief, which extracted anywhere from 33 to 50% of its annual costs from the municipalities, had shrunk.

There were some factors on the other side. There were increasing costs of wages, materials and supplies. Protection of public utilities from sabotage danger added a considerable burden until most of this cost was assumed by the provincial and federal governments. Some Canadian municipalities with bonds payable in American dollars began to feel a heavy penalty.

Provincial Position

To a great extent the picture of provincial expenditures during the last war followed closely that of the municipalities already mentioned. In 1919, provincial expenditures and current accounts, exclusive of charges on debt, were about $16 millions greater than in 1913. New taxes were imposed which enabled the provinces to come through the war period. In 1922 provincial expenditures were on a per capita basis of $10.12. By 1938 they had risen to $21.71, most of the increase being caused by increased expenditures on public works and highways, educational facilities, debt service, social welfare and unemployment relief.

Turning to the debt picture, Mr. Horton points out that total debts of municipal governments were $764.6 millions at Dec. 31, 1919, compared with about $537.2 millions at December 31, 1913. By 1927 gross municipal debt was $1,147 millions, or $106 per capita. By 1930 it was $115 per capita, but in 1937 had dropped to $104.

The picture of provincial government debt shows that the 1913 total was $193 millions and by 1919 had amounted to $410 millions. Ontario showed a large increase with a jump from $34 millions to $115 millions. Following through the post-war and depression periods the first part of 1939 saw total debenture debt of the provinces approximately $1,700 millions.

In terms of the combined cost of government in Canada, covering Dominion, provincial and municipal debt at the outbreak of the last war the per capita figure was about $54. When this current war began the figure was about $700 per person.

Pre-War Expenses.

Combined governmental expenditure in Canada on peacetime activities before the outbreak of the present war was about $3 millions daily. This is on current account alone and does not include expenditures on highways, buildings or other items charged to capital account.

Today the Dominion Government alone is spending more than $4 millions per day to meet war costs, or roughly, $2.5 billions per year at present rate and the volume is increasing, he states. To this must be added ordinary non-war expenditures of the Dominion amounting to about $475 millions and annual provincial and municipal government expenditures of about $575 millions. This brings the total spendings of all governments for all purposes to the present rate of $3.5 billions annually.

Income Rise Offsets

Mr. Horton compares this with national income to get some idea of ability to meet this burden. He mentions that in 1929 Canada's national income was about $5,350 millions. In 1937 this had dropped to about $3,500 millions, but further changes took place, and in 1940 through greatly increased industrial and commercial activity, national income was estimated at $4,700 millions. It is anticipated that in 1941 the national income will be fairly close to $6 billions. In all, it is estimated that about 60 cents out of every dollar earned by Canadians will go to the purposes of the state.

Comparing this with the last war, from 1914 to the spring of 1918, the cost to Canadians was less than $900 millions. It is quite possible that by the early part of next year, the spending rate for one year in this present war will be double the cost of that period from August, 1914, to April, 1918.

Two Objectives

The Dominion Government budget set out two objectives, as Mr. Horton sees it. First, the country must be brought as rapidly as possible to the full use of its resources and man power, and secondly, the country must follow a pay-as-you-go policy as far as possible. The Finance Minister states he has endeavored to raise the rates of direct taxation to the highest level that he thought Canadian people could be asked to bear. On the other hand it is a fact that the British income tax weighs more heavily on an Englishman than the Canadian with an equivalent income under the Canadian tax report last spring.

Post-War Picture

Mr. Horton has a word to say about the possible post-war picture. He admits the possibility of a severe dislocation of industry and finance. He argues that business taxation should not impair the country's productive assets and leave them unable to give all their potential support to the war and to compete in the markets of the world during post-war years.

The necessity must be recognized for corporations to be allowed to set aside funds to provide for losses, replacements and expansion to meet a post-war period of greatly increased immigration into Canada.

For government planning, he feels that federal post-war reconstruction should embrace national highways, reforestation, land reclamation and conservation, and the construction of public buildings. Provincial planning should recognize these things and, in addition, flood control and power developments. Municipal planning must provide post-war construction of traffic arteries, sewers, sewage disposal plants and all kinds of other local improvements and buildings.

In this regard, provincial and municipal governments in Canada are husbanding their resources, postponing improvements, reducing debt and accumulating large pools of necessary capital improvements and large reserves of credit. At the end of the war they should be in a strategic position from which to exercise leadership to meet the post-war problems.

Paper Trends Easier in July —Stocks Lower

Canadian Mills Operated at 80.4% Compared With 90.8% Year Ago

From Our Own Correspondent

MONTREAL. — Newsprint operations recorded a seasonal gain during July, but as compared with the same month a year ago, there was a moderate decline in both production and shipments. This was in line with expectations.

Returns compiled by the Newsprint Association of Canada and the Newsprint Service Bureau show North American production last month at 39,313 tons lower than in July, 1940, while shipments declined 49,802 tons. With shipments in excess of the decline in output, stocks on hand registered a decline.

Operating Ratio Drops

Last month Canadian mills produced 293,483 tons of newsprint paper. While this was the highest total for any month in the year to date, nevertheless it was about 7,000 tons less than in July, 1940.

This is reflected in the operating ratio which stood at 80.4% last month, as against 77.9% in June, 1941, and 90.8% in July last year.

For the year to date Canadian production amounts to 1,914,617 tons, or 60,000 tons less than for the like period of last year.

Sales Are Lower

The most significant change in the Canadian newsprint situation is the decline in shipments. Last month 300,236 tons were delivered. While this was a new peak for the current year, the returns were nearly 37,300 tons less than in July, 1940.

Breakdown of shipments reveals no particular change in domestic demand.

Sales in the United States have remained more or less constant in the past three months, with the July returns being 16,000 tons under those of the same month last year.

The principal reason for the large drop in shipments during last July compared with July, 1940, was due to a decline in overseas trade. In July, 1940, Canada exported overseas 72,447 tons, as against 51,053 tons this year.

Island Situation Steady

The same conditions which affected Canada's newsprint trade last month applied to the Newfoundland trade. The two Island mills produced 29,292 tons last month, or slightly less than in the previous month and some 700 tons under that reported for July, 1940.

Shipments of newsprint from Newfoundland in July, 1941, totalled 33,774 tons, of which 28,669 tons went to the States and 5,055 tons to "overseas" countries.

Heavy Sales in U. S.

Of particular interest is the fact that shipments to the United States last month were the largest of any month since December, 1937. Moreover, to show the extent of the reorientation of the Newfoundland market, it might be pointed out that deliveries to the U. S. market last month were the second highest of any month on record.

The relatively small volume of shipments from the Newfoundland mills overseas reflects mainly the restriction in consumption of newsprint by U. K. publishers.

The American mills maintained their position last month, with both shipments and production being at about the same level as a year ago, though somewhat under the monthly average for the year to date.

Stocks of newsprint on hand with all North American manufacturers were reduced by 12,677 tons during July and amounted to 240,446 tons at the end of the month. In 1940 there was a corresponding reduction of 23,166 tons, while in 1939 stocks increased 10,985 tons during the month.

The position of stocks as applied to each of the three countries at the end of July with comparative figures for the same period last year follows:

Mill Stocks of Newsprint
(As at July 31—in tons)

	1941	1940
Canada	159,145	175,750
United States	10,623	13,893
Newfoundland	70,678	48,894
Total	240,446	238,537

BROWN COMPANY BONDS

Detailed information available on request

MILNER, ROSS & CO.

Members The Toronto Stock Exchange

330 Bay Street - Toronto

Telephone: Waverley 1701

Dominion Succession Duties

With the recent enactment of a Succession Duty Act by the Federal Government, it has become more important than ever that your executor should be thoroughly familiar with Succession Duty and Income Tax laws.

National Trust Company, with over forty years' experience in estate administration, maintains a special department to deal with Succession Duties and Income Taxes. In naming National Trust Company your executor, you can be sure that the pitfalls and penalties of inexperience will be avoided.

Write for free booklet on *Dominion Succession Duties*

NATIONAL TRUST
COMPANY, LIMITED
TORONTO MONTREAL HAMILTON
WINNIPEG EDMONTON

Arvida Workers Ask for Board

From Our Own Correspondent

MONTREAL.—Canada's Minister of Labor McLarty has been asked to set up a conciliation board to arbitrate in a dispute between members of the National Catholic Syndicate of Aluminum Workers and the Aluminum Co. of Canada.

Announcement to this effect was made after the union executive had conferred with M. S. Campbell, chief conciliation officer of the Federal Department of Labor.

Following the meeting union officials reported: "We are asking for a conciliation board; the offers that have been made to us are not satisfactory."

Montreal Reports Loans Up—Toronto Down

Collateral borrowings of Montreal Stock Exchange members at July 31 of $5 millions was highest since February this year, and showed a $128,201 increase from the end of the previous month.

Increases have been shown in member borrowings in the past two months from the record low of May.

On the Toronto Stock Exchange collateral borrowings at the end of July totalled $9.4 millions, a decrease of $276,026 from June but $1.8 million higher than May, 1941. As quoted market value of all listed stocks as at July 31 was $3,707.4 millions, a gain of $164.8 millions from a month earlier, ratio of borrowings to quoted market value was .25 of 1% compared with .27% a month ago and .24% a year ago.

Get me the Star Weekly office

Friend of ours called the other day, pleased as anything. He'd just noticed, he said, that the Reader's Digest had *again* reprinted an article from the Star Weekly, and he thought we'd be interested to know about it.

Three times in five months The Star Weekly has been represented in the Reader's Digest which pretty well bears out what we've always said: "There's a lot of mighty fine reading in each issue of the Star Weekly".

To an advertiser it means two things. It explains the phenomenal circulation of the Star Weekly, and it insures him a vast audience of *interested* readers who're likely to see his advertisement no matter what page it's on or what section it's in.

For the largest circulation in Canada, advertise in

THE STAR WEEKLY

PUBLISHED AT 80 KING ST. W., TORONTO, CANADA

Montreal Advertising Office: University Tower. U. S. Representatives: Chas. H. Eddy Co., Inc., New York, Chicago, Boston, Atlanta

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Provincial—	Date Issued	Offered by	Rate	Date	Amount	Price	Yield
Manitoba	Aug.	Wood Gundy & Co., Dominion Securities Corp. and A. E. Ames & Co.	3½%	1946	$750,000	....	....
			3%	1943	*666,000	....	....

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
British Columbia Telephone	Aug.	W. C. Pitfield & Co. (Sold privately).	4½%	1961	$1,500,000	105½	4.08%

*Payable in New York funds.

The Editorial Page . .

Rules for Winning the War

You mustn't pay a bakery to slice bread for you.

You mustn't walk to a service station to buy gasoline.

You can't give more than 10 per cent of your income to war services that save the Government money. (If you do, you're taxed.)

You can be made to pay "back-pay" to a man who was never on your payroll.

You can go to the States and live in the swankiest hotel but you mustn't take your wife even to live in a tourist cabin on less money.

You can sell life insurance without paying excess profits tax, but not fire insurance.

You can sell orange juice in a tin but not in a bottle. (If you do you are taxed 25%).

You can't deliver a bottle of milk, except on the regular delivery, but you can use a ten-ton truck to deliver a nail-file.

All these rules, apparently, have something to do with winning the war.

Revolution Is Still the Aim

Communist Russia is fighting with her back to the wall against Nazi-Fascist Germany. Communist leaders in Canada and the United States are urging all possible aid to Russia and indeed Britain and the United States are sending such aid as they can. But there seems to be not the slightest evidence that Red agents on this continent have turned from labor agitation and strike-breaking to efforts to speed up war production. Officially, the "party line" seems to be to get behind the output of fighting weapons but unofficially the revolutionary agitation of the underground Communist organization continues.

This is not surprising. Official Communist textbooks make it all too clear that the world revolution is still the one aim and end of all Communist activity; that the major weapon is the strike—"physical conflict with the forces of capitalism"; that strikes are to be "aimed at the most sensitive portions of the capitalist economic system." Communists are taught to bore into trade unions, which are regarded as "the transmission belts between the Party and the masses."

Stalin at the moment is preoccupied with a major military task. But the vast underground organization, that was begun long before he came to power and has been built up under Trotsky, Lenin and the present Russian dictator, is still in full operation. It still has not the slightest intention of promoting industrial peace in any of the democratic countries, even to the end of speeding supplies to Stalin's armies.

Let's Stand Up For Gold

With the possible exception of South Africa no country in the world has a larger relative stake in gold than Canada. To us, it is vital that men and women should regain their confidence in gold and the gold standard. This, in turn, can come only from a recognition by the governments of the world of the historic role of gold in any system of money.

Gold is under attack. The chief agency of criticism is Dr. Goebbels' world-encircling propaganda system. Skilfully, it plants in the minds of men the suspicion that a monetary system based on gold is an evil and anti-social thing. The Nazi purpose is obvious: since the democracies are the chief owners of the world's gold it serves Hitler's purpose to create disquiet mistrust about so great an asset.

There are many in Canada to help Hitler play this game. Apostles of various soft money or managed money schemes; scoffers at the gold standard; all these are Hitler's innocent allies.

The distinguished ex-Dutch banker, W. Redelmeier, in his remarkable study of "The Gold Standard," just published, expresses astonishment at the "indifference, scepticism and fatalism" toward the gold standard which he sees in Canada and the United States. He says:

> "The anxiety at the accumulation of the gold in the United States is justified; the pride in the gold industry in Canada is legitimate; the indifference toward the gold standard is short-sighted."

Our governmental and monetary authorities should be giving more leadership in restoring public understanding of the importance of gold, not only in our national economy, but in world reconstruction after the war. The recent statement of W. A. Mackintosh, special adviser to the ministry of finance, hedged in the matter. Why was it not a forceful, ringing expression of Canadian Government policy to stand by gold.

What About the Follow-Up?

This week the Government's trade mission to South America resumed the journey interrupted by the illness of the chairman, Hon. James A. MacKinnon, last winter.

Canada wants to trade with South America and wants the Latin countries of this hemisphere to understand us. But what are we going to do to follow up the no doubt excellent missionary work that Mr. MacKinnon and his aides will do?

In the vital matter of informing our Latin neighbors on Canadian news and opinions have we any way of transmitting information other than through the very meagre news budgets carried by the press cable services?

A powerful short-wave broadcasting station in Canada would be of tremendous value in helping to maintain our prestige in South America.

It was announced from Ottawa many months ago that Canada was finally to have a short-wave transmitter. But it turned out that this was a very weak station intended primarily to reach certain neglected areas right here in Canada.

Hon. James T. Thorson has many irons heating in the fire, but this is another one he should put in. It takes a long time to build a short-wave station: 12 to 15 months in fact. If we do not get started on one soon, we shall lose out in South America, as well as in our information and advertising in other parts of the world.

Work to Be Done When the War Ends

Recently a chief executive of one of the largest U.S. steel corporations named ten ways in which the transition from a war to a peace economy might be bridged. His suggestions included:

1. Superhighways.
2. Hydro-electric developments.
3. Deferred industrial maintenance and repairs.
4. New equipment for railroads.
5. New homes. (War building tends to be of semi-permanent nature and seldom of the right type. Slum clearance and suburban development around large cities will be important outlets.)
6. Sewage disposal plans.
7. Smoke abatement.
8. Safety measures.
9. Standardization which will be necessary to compete with foreign manufacturers who will be operating on a lower wage scale.
10. Television and welding. In both these areas the big development is still to come.

One of industry's biggest jobs in helping to bridge this gap will be to find ways of lowering costs, of doing things more cheaply, more efficiently. Inevitably, an emergency such as war increases costs. In Canada, for example, industrial material prices have risen nearly 18% from the 1939 average. Further increases are inevitable.

Every dollar that can be spared for industrial research will help to reduce costs. This is one of industry's most potent weapons in peace as in war.

Industrial research is an especially important weapon for Canada. When war ends this country will have to try to find new markets for a rapidly growing industrial output which war demand is now stimulating.

Editorials in Brief

L'Action Catholique, Que., speaks of "the constructive achievements of Marshal Petain in France."

Such as . . .?

• • •

United States production officials are circulating posters to tack upon factory walls, urging speedy production. Even federal penitentiaries, where some war work is being done, are placarded.

It is reported that the most popular poster in the prisons is the one headed "Time is short."

• • •

During the war loan campaign the Minister of Finance expressed surprise and disappointment that the salaried or "middle-income" group had not subscribed for the war loan in greater amounts.

The Canadian Chartered Accountant, noting his comment, administers a just rebuke. The group of which he complained had been subjected by him, during the 18 months preceding the loan, to what was probably the most abrupt increase in direct taxation experienced by any group in any country in the world. "The state can appropriate purchasing power by either taxation or borrowing but it cannot borrow what it has already taken away by taxation."

• • •

News Review, London, criticizes the Canadian army for uppishness. Recently officers forbade photographers to come closer than 30 yards in taking pictures of the presentation of colors to two Canadian regiments. They also forbade mention of the names of the regiments, although they were identified the next day in the Court Circular.

• • •

In a recent series of articles in the western newspapers for which he corresponds, Grant Dexter makes it quite plain that Canada is coming to the end of its resources in man power and yet has no plan to ensure most effective use of man power in the war effort.

"To date," says Mr. Dexter, "no steps to co-ordinate the war effort have been taken. Nor has any programme of priorities been worked out."

• • •

The organizing committee of the Packing House Workers issued a statement during the Dumart strike in Kitchener which said:

> "We never quit. It took four years to break down Ford and we know Burns will be a much easier proposition."

There is nothing there about getting benefits for the working man, promoting industrial peace, or speeding up war production. It is a candid admission that C.I.O.-inspired unions are out to "break down" industry in order to build up power for the union chiefs.

• • •

Reginald Stewart was one of the colorful figures of Canadian life, a fine musician who brought fame to Canada wherever he appeared as concert pianist or guest conductor. Now he is lost to Canada, having accepted a post in Baltimore.

Mr. Stewart is leaving Canada because of the insufferable policies of a small group of union officials, who rule with as much power as the Gestapo and as much vision as a beetle.

The "make-work" policies of the musicians union are gradually destroying opportunities for employment for musicians in Toronto and smothering personal genius. It is a fantastic notion that such policies can benefit even the members of the union in the long run.

• • •

Ontario's Minister of Lands and Forests, Hon. N. O. Hipel, has been making a personal trip into the north woods to observe the way the province's forests are being managed. He comes back with an angry frown and a threat to make timber operators conform to conservation practices in cutting timber.

Canada's forests are a precious asset and whenever a public official takes action to conserve that asset he has public opinion behind him.

In Ontario, particularly, the forests have time and again been under the direction of politically minded Ministers whose chief concern was to build up party chests. And a much worse type of graft has not been conspicuously absent under some regimes.

• • •

Nothing could be fairer or sounder than the views expressed by S. G. Blaylock, one of Canada's really great industrialists and head of the gigantic Consolidated Smelters organization, who urged recently in Vancouver:

> That Canadians should forget politics completely while the war is on and put all their effort behind the Government in power "whether it is the Government of our individual choice or not";
>
> That the Government should make use of the best men of all parties and replace at once such Ministers as, quite competent to hold office in peacetime, have not the requirements for the tremendous load of the wartime job.

• • •

The "Youth Organizing Committee of the Toronto Youth Council" is a left-wing organization, very much Red-influenced. A handbill it is distributing is, then, valuable as a clue to the policy of Canadian Reds, now that Russia, too, is fighting Hitler.

There is one reference to the ability of Canadian youth to "produce the goods and the military strength to build a solid defense for victory over Hitler on both fronts."

That sounds promising. But the rest of the handbill is devoted to an attack upon such "Quislings" as the "respresentatives of big finance in Canada" who are doing the work of Hitler and to a demand for the release of two Communist agitators who have been locked up. The handbill asks aid in smashing fascism but it is clear that the "fascism" referred to is Canadian industry.

—Cartoon by Grassick

WHERE ARE THOSE SABOTEURS?

Post-Scripts . . . .

Irishman to Eire

John Doherty Kearney, K.C., new Canadian High Commissioner to Eire, is a new world Irishman, born and reared in the tradition of the Emerald Isle. As Canada's diplomatic representative in Eire he will have the advantage of understanding the Irish temperament.

J. D. KEARNEY

The post is comparatively new; the only previous representative was the late Hon. John Hall Kelly. Creation of the office indicated the importance Ottawa places upon cordial Irish-Canadian relations at this critical junction of history.

Problems of the office are magnified by the steadfast neutrality of Eire, and its strategically important place in the Battle of the Atlantic.

This is Mr. Kearney's first diplomatic assignment. However, besides the natural advantage of being Irish and knowing Eire, Mr. Kearney can sport a few traditional Irish virtues himself.

The Kearney family planted a love of horses in the Montreal-born son. As a young man, he was a horseman of ability.

Twenty years ago a regular feature of horse races was the "gentleman rider" event for amateur competition. At the Dorval track, near Montreal, horseman Kearney galloped to victory in 1914 in this "Pink Coat" feature. For many years he maintained his own stables.

Another Irish characteristic, the love of music, has been inherited by Mr. Kearney from Irish forebears.

• • •

Born, raised and educated in Montreal, John Doherty Kearney has built up a large corporation law practice. During 20 years he has been associated with well-known senior partners: the late Hon. H. K. Laflamme, the late Hon. Walter G. Mitchell, and Hon. J. L. Ralston, now Minister of National Defense. Mr. Kearney is now senior partner of the firm.

John Kearney was educated in Loyola College, the Jesuit college in Montreal, and McGill University. He was Lieutenant-Governor's medallist and valedictorian from Loyola and valedictorian from McGill. He graduated with honors from both institutions.

In the process of receiving an education, and through his wide social and business activities, Mr. Kearney has become perfectly bilingual.

In the last Great War, he was with the Canadian Field Artillery and received the Military Cross for bravery in the field.

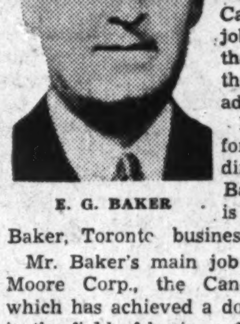
Mr. Kearney has worked energetically on behalf of educational and philanthropical institutions. He is a member of the Catholic School Commission of Westmount and a director of St. Mary's Hospital, and has been identified for many years with the Federation of Catholic Charities. He was chairman of its 1938 drive for funds.

He plays a "respectable" game of golf, and is president of the Bench and Bar Golf Association. He is also a life member of the Montreal Amateur Athletic Association. In his army days he represented the Canadian Army in tennis competitions in England.

• • •

Servant of the Public

The Bank of Canada has established a place at the top of Canadian financial institutions in the short space of seven years since it started work. Under the strains of wartime financial problems, its position becomes ever more vital.



E. G. BAKER

Thus, there is a growing importance and reliance placed by Canadians on the job to be done by the directors of the Bank of Canada.

Latest recruit for the board of directors of the Bank of Canada is Edwin George Baker, Toronto business executive.

Mr. Baker's main job is president of Moore Corp., the Canadian company which has achieved a dominant position in the field of business forms in Canada and the United States. The company is the creation of S. J. Moore. Mr. Baker went to work for Mr. Moore about 34 years ago in what he thought would be merely a temporary position. He planned, after a short period, to complete his course at the University of Toronto. Mr. Baker never went back to university. He has been working for Moore Corp. ever since. In 1937 succeeded Mr. Moore as president of the company.

Mr. Baker has enlightened, modern ideas about business organization. Last winter when a group in Toronto, interested in business and economic problems, wanted someone to explain modern trends in business management, they called on Mr. Baker. No orator, he nevertheless had his subject so well in hand and made it so clear, that his audience came away with an entirely new conception of what is required to run a modern business efficiently.

He has worked out these ideas in his own company. Moore Corp. is an example of what he calls "group management." In actual practice this means that each operating unit has a large degree of local responsibility, exercised by three or four key men in the unit. The chief of each unit, in turn, joins with the officers of the parent company itself to decide the policies of the company as a whole. He believes in having a succession of men coming along to fill ever more important positions; men who can accept responsibilities and handle an executive job. Moore Corp. does not go outside of its own organization to find the men to fill key positions that may become vacant.

Another recent example of Mr. Baker's decisive mind was related by George W. Spinney in connection with the Victory Loan campaign. Searching for a joint chairman for the Toronto committee of this loan to serve with J. W. Mitchell, Mr. Spinney telephoned Baker from Montreal. When he put in the call he laid his watch on his desk. In two minutes and 25 seconds he heard Mr. Baker say: "Of course, I'll take the job. Who can refuse to serve his country these days."

Outside of business hours, Mr. Baker is intensely interested in religious and humanitarian subjects. He has since 1929 been president of the Toronto Bible College, an organization which trains young lay workers for missionary and other church work on an inter-denominational basis. He is active on the national council of the Young Men's Christian Association for Canada. He is married and has one son and three daughters. He was born in Toronto in 1885. His favorite recreation is golf which he plays at the Lambton Golf and Country Club, near Toronto. He is a member of the Presbyterian Church.

Mr. Baker does not hold many directorships outside of Moore Corp. and its subsidiaries, but he has found time to represent policyholders on the board of the Canada Life Assurance Co. and was elected a vice-president in 1940.

• • •

New Utilities "Magnate"

International Utilities Corp. is an American holding company which has been a good deal in the news lately because of a fight for control. Canadians are interested because a major share of International Utilities' operations are in Canada where subsidiary companies sell electricity, gas and water to 120 communities in Alberta and Saskatchewan.

Under fire from stockholder groups and the Securities and Exchange Commission over the past several months, P. M. Chandler, financier and organizer of the International Utilities setup 17 years ago, resigned last month from his dual post of chairman and president.

He has been succeeded as president by 31-year-old William Yeager, a former official of the Reconstruction Finance Corp.

As chairman of the board, he has been succeeded by William F. Carey. Mr. Carey, Commissioner of Sanitation for New York City, has recently been acting as special advisor in OPM's construction division. Mr. Carey will continue his job as Commissioner of Sanitation. Also joining the board have been Walter P. Chrysler, Jr., son of the late automobile manufacturer, and Frank A. Vanderlip of the widely known banking family in New York, who currently is handling housing problems for OPM.

• • •

Mr. Carey had a long and varied career in engineering and construction. At 24 he became general superintendent on the Chicago drainage canal and two years later supervised the excavation of the Panama Canal. In the World War he directed railroad building, dredging, plant construction and housing. He designed and built the famous Madison Square Garden in New York and served as president and treasurer of the corporation.

Recently he has been planning the construction of special U. S. defense bases in Trinidad and last winter toured the United States surveying cantonments and military posts, turning in what is termed a rather critical report to defense officials in Washington. In his New York City job, he is credited with introduction of a land-fill system responsible for an annual saving of $1 million in refuse disposal costs.

Mr. Carey is director and president of many companies.

• • •

That the Carey-Yeager regime still sits uneasily at the top of the International Utilities setup is indicated by latest developments. A group of directors want a special stockholders' meeting on Aug. 19. The opposition directors, headed by Paul C. Robertson, New York, seek to oust the Carey-Yeager group. The company and the Carey-Yeager group are seeking to have courts stop the meeting. The latter alleges a conspiracy on the part of five directors to get control of the company and vote themselves large salaries, something from which it is indicated this company has suffered for many years past under the Chandler regime.

• • •

Other People's Views . . . .

The Canadian Editorial of the Week

Cart Before Horse

Vancouver Sun

All over Canada today, as in Vancouver, rises the cry for conscription of our resources of men, materials and wealth to achieve a complete war programme. To us this has always seemed like an attempt to put the cart before the horse. What we need is the programme first—then the compulsions to make it work.

From the beginning of the conscription controversy this newspaper has been very clear in its mind as to the proper course for the Government to pursue. For the benefit of our friends who ask us now what we think, we repeat what we have said before:

Let the Government of Canada lay down a plan of total war. Let it decide how many soldiers it needs, how many sailors, airmen. Let it decide what armaments it can and should produce and in what quantity. Let it decide how much of the nation's man power should be thrown into the fighting services and into the armament industries, and what part should be kept in civilian production. Let it decide the minimum amount of goods of all sorts that the Canadian people can live on and let it confine civilian production to that, all the rest of our energy going into the war.

When that plan is complete—and it should not take more than a few days of planning by experts who know all the facts of our national capacity—then let the Government put it into effect fearlessly. Let it tell the Canadian people what it proposes to do, what it expects them to do. Let it then levy what taxes are necessary, enforce what rationing is necessary and, for the fighting services, enforce what compulsions are necessary to get the men required.

Let it make the plan and carry the plan out, whatever the cost. But to conscript wholesale before there is a plan, before there is provision for making weapons, before there is provision for money, for materials, for workers, may only produce chaos.

First a plan for total war on the largest possible scale. Then every means necessary to implement it, no matter what the sacrifice for every individual in the country.

• • •

The Mail-box

"Beyond Valuation"

Editor, The Financial Post:

I want to congratulate and thank you for the able articles on vital subjects that appear in your papers from time to time.

Plain spoken articles, simply written with verve and truth, without political or any other sort of bias on the all-important subjects of this cataclysmic era, and the papers that print them, are beyond valuation to our country.

V. F. CRONYN.

Victoria, B.C.

• • •

War Savings Certificates

Editor, The Financial Post:

Judging by reports of late, the buying of these certificates is definitely slowing up.

If the Government intend to continue indefinitely in the annuity business, would it not help to bolster sales and maintain pledges if an annuity option were added thereto?

Certificates could be held beyond the maturity date accumulating further interest and with a view to surrendering for cash or life annuity at ages between 55 and 70—providing the total holdings of the individual at the annuity age selected were of a given amount.

Such a plan would, I believe, induce many people to greatly enlarge their purchases and carry through.

SUBSCRIBER.

Montreal.

There's a Difference

Editor, The Financial Post:

Isn't the plan for church financing as quoted in The Financial Post of August 9 from the United Church Observer the same as when a banker credits the bank account of a borrower with the amount borrowed and the borrower pays his creditors by cheque therefrom? Of course, in this case the bank charges interest, while in the first case the repayments of capital are spread over a period of 50 years without interest.

No inflation would be involved unless the loan was new and increased the total amount of loans in Canada. If the loan was new it would make its contribution to inflation whether issued by the central bank or a commercial bank. This would be so because the money available to buy goods and services would be greater by the amount of the loan than the goods and services available.

E. W. ELLIOTT.

Belleville.

Editor's Note.—When bank loans are made they are secured by raw materials or semi-finished goods, capable of being quickly turned into a saleable product that will retire the loan within a short period. Banks do not make loans that can be repaid only over a period of 50 years.

• • •

As Others See Us

Cannot Be Ignored

Vancouver Sun

The Canadian Government cannot ignore the charge that the Canadian army is being trained for the last war and not for this war. The charge is made by The Toronto Globe and Mail on the authority of an unnamed writer who, it says, has the highest technical qualifications. The charge is reiterated by The Financial Post which has often been right about similar facts in the past.

Supposing there is no basis whatever for the charge. Suppose that our army is being trained for the present war. Suppose that there is no possible room for improvement. Still the Government is bound to answer the charge.

• • •

Bits Blitz

Vancouver Sun

The able industrialists who are managing the production of armaments in Canada, having organized the larger industries and built new factories, are now out to utilize all the spare and waste capacity of every machine shop in the country. In Ottawa they call this new programme the "Bits Blitz." It is just that—a plan to use the bits and pieces of neglected Canadian productive capacity. A committee of experts has surveyed the nation, found plants which could make this or that small gadget needed for the armament industry. Soon each plant able to make a needed article will get a contract.

Already the pulp and paper industry, as a side line, is making winches for cargo boats, jigs for two-pounder guns, airplane parts and pumps for mine sweepers. The production of gun carriages will be increased 500% because part of the job has been farmed out to an idle plant in western Canada, according to the Ottawa correspondent of The Financial Post. A bottleneck in the tank industry was removed by the discovery of an obscure factory which could make the missing parts.

Long ago this newspaper suggested that idle industrial capacity in British Columbia, small individual plants, could be organized to present a large total. It is gratifying to know that the "Bits Blitz" will attempt to use every machine tool, every factory and every skilled workman in Canada.

Sayings of the Week

"This is a time of general sacrifice."—*Hon. Ian Mackenzie, M.P.*

• • •

"We should train the young men and put the older men to work."—*Mayor Fred J. Hume, of New Westminster.*

• • •

"Morale is one of the few forms of preparation for war which is profitable even if war never occurs." — *Ralph Barton Perry.*

• • •

"Germany is looking with longing eyes to the Western Hemisphere for further conquest." — *Hon. Cordell Hull, U. S. Secretary of State.*

• • •

"Wherever the flag of Britain — the flag of freedom—is under fire, that is where Canada is being defended."—*Murdoch A. MacPherson, K.C., of Regina.*

• • •

"I should say that stopping house deliveries of bread is a very remote prospect indeed." — *H. B. McKinnon, chairman of the Wartime Prices and Trade Board.*

• • •

"We must not be afraid to give our President the necessary emergency powers which will enable him to act—without delay. The defense of freedom must be a positive thing. We must not be afraid to act—and we must be prepared to act swiftly and suddenly."—*Wendell Willkie.*

• • •

"Many of us are very much concerned with the possibility of being asked to die for democracy, but living for it is very much harder for it means actually feeling the sense of responsibility imposed on that democracy. We are living at a time when, as never before, we have to discipline ourselves."—*Mrs. Franklin D. Roosevelt.*

Stop Me If . . . .

An old lady living in the country had a son in the Navy. On one of her rare visits to a neighboring town she saw a sailor. Trembling with excitement she asked him if he knew her boy. She told him his name.

"Well, what ship is he in?" asked the sailor.

"What ship?" exclaimed the old lady. "Are there two?"

The Financial Post

Member Audit Bureau of Circulations

A weekly newspaper, presenting in a popular manner reliable information respecting investments, business and national affairs in Canada.

FLOYD S. CHALMERS, Editor
DOUGLAS M. GOWDY, Business Manager.

Published by
The MacLean Publishing Co., Limited
481 University Avenue, Toronto 2

JOHN BAYNE MACLEAN, Founder and Chairman.
HORACE T. HUNTER, President.
H. VICTOR TYRRELL, Vice-President and Managing Director.

Subscription Terms: Single copies, 10 cents. Yearly, in Canada, United States, Mexico and British Empire, $5; all other countries, $8.
Advertising Rates: Single insertion $4.20 per inch. Contract terms upon request.
Montreal: Dominion Square Building, Murray R. Chipman, Eastern Manager; John E. Langdon, Eastern Editor.
London, England: Quadrant House, 55 Pall Mall, S.W.1.

Should We Grow More of Our Own Sugar?

European Expert Appraises Canadian Beet Industry

Dr. Felix Redlich was born in Czecho-Slovakia and has had 30 years experience in the sugar beet industry in Europe. He has grown sugar beets in his native land and later was manager of several large sugar factories in that country. At one time he had five sugar factories and one alcohol plant under his management, the group handling the beet crop from 6,000 acres.

Dr. Redlich was a member of the International Committee which prepared the Chadebourne Agreement regarding world sugar production. As an authority on sugar beet production his advice has been sought by financial groups in various countries of Europe.

Dr. Redlich served as an Austrian officer during the first Great War, was an officer of the Czecho-Slovakian Army when it mobilized against Germany in 1938. He left his native country the day the Nazis arrived and after a stay in England, came to Canada just before the war and established himself on a tobacco farm near Simcoe, Ont., where he still resides.

By FELIX REDLICH

A sugar factory cannot be regarded in the same light as most other industrial plants. For success it needs willing co-operation of many hundreds of farmers who have to be educated and trained to grow a new crop, who should never be discouraged, and who must, from the beginning, have a favorable reward for their toil.

About 15% of Canadian sugar consumption is supplied by home-produced sugar beets, and the balance by sugar manufacturers from imported raw sugar. Very likely the development in Canada will sooner or later favor the home-produced article as has been the case in almost all the old countries of the world. If so, where and when should we establish the new sugar plants necessary?

In the last 20 years, the so-called world market, that is the market of the countries which imported sugar, has been successively reduced. This reduction is estimated at about 50%. Everywhere, even in countries with a primitive economic structure such as Persia and Turkey, the trend has been toward the development of their own sugar industry.

Great Britain has created in a few years and at great financial sacrifice, its own sugar industry. In the last decade some 16 sugar factories were built in England, three in Ireland. The cost of government subsidies to industry and growers was some $225 millions. But this development has proved a very valuable preparation for war. In the first place, it has materially lessened dependance on imports, and

Secondly, it has brought better yields for other crops in the sugar beet areas.

The development of the sugar industry in England, however, though favored by the Government and a large part of the public, was not everywhere a financial success. There were good and bad projects.

Typical Examples

Selecting at random four sugar companies, their results of the average of seven years—1928 to 1935—were as follows:

1. Central Sugar Co. Ltd.—always paid dividends.
2. Yorkshire Sugar Co. Ltd.—paid dividends four years, none for three years.
3. Lincolnshire Sugar Co. Ltd.—paid dividends three years, none for four.
4. Second Lincolnshire Sugar Co. Ltd.—paid no dividends.

The payment of dividends may not always be the correct test for determining the soundness of any business. But the record serves as a warning of the necessity of investigating all circumstances before starting any new project even though all conditions seem favorable.

The competition between beet sugar and sugar cane has existed for a great many years. There is no doubt that cane sugar countries can produce more cheaply. The selection work of Netherland scientists has more than doubled the cane sugar yield per acre in recent years. Other Netherland scientists have successfully combatted tropical diseases which reduced the working capacity of the native workers.

Some two years before the Chadbourne Agreement was negotiated, the Netherlanders declared that they would oust world sugar beet competition. Then something happened that some authorities, I among them, had predicted. Cheapness of production proved not to be the main factor but available markets and in many cases the home-produced article, because it was protected by tariffs, proved the winner.

Two Separate Problems

In appraising the chances of success for new sugar plants in Canada, the country should be divided into two areas:

One, that area where the sugar beet factory has no other protection against refineries than the present duty on foreign raw sugar.

Two, that area where the railway freight rate from the refineries to the place of consumption gives an additional protection. This protection varies with the distance—15 to 20% of the value of the final product, less excise tax.

It is this extra freight charge that puts the three Prairie Provinces of Canada in a most favorable position for new developments. The two Alberta plants, Picture Butte, and Raymonds, both situated in the irrigation district, which has very favorable production conditions, are doing very well. These owners have found the right way to create agreeable relations with their farmer co-operative growers.

The Manitoba factory, a new plant erected in the extremely short time of eight months, has gone through its first year of production and has passed in this time through the usual difficulties. Its further fate will depend on various circumstances.

The great indirect benefits of a local sugar factory on its surrounding territory which I have noticed everywhere in Europe, I have also noticed in Alberta. Up to 50 miles around the plant the farms are well cultivated, homes and barns are well kept, and towns are developing. Various industries which are dependant on a local sugar industry, also, are rising like mushrooms in a well-cultivated bed.

Two Further Projects

There are two further projects in Alberta. The Taber Barnwell district has an agreement with the Rogers group that a factory should be built not later than 1942 under a forfeit of $100,000. Under existing war conditions it is unlikely that this plant will be built.

The second project is at Brooks, the centre of an irrigation district where all conditions are extremely favorable. The Governmental Experimental Farm at Brooks has carried out experiments for several years which gave highly satisfactory results in yield and sugar content.

Conditions in the irrigated sections of Alberta compare very favorably with those in the United States. Average production of sugar beets in the 11 major beet states across the line is 11.8 tons per acre as against almost 17.9 in Alberta. The average sugar content in the United States is 16% compared with 18% in Alberta.

There is a further project in Saskatchewan but conditions there are not familiar to me. Neither am I familiar with the sugar beet projects in Ontario or Quebec. Very likely there are many other places in Canada which are theoretically fitted for the production of sugar beets and undoubtedly these will become known as time goes on.

Special Wartime Problems

Added to the ordinary difficulties regarding any new enterprise are those special problems arising out of the war. There is the high cost of machinery and buildings, foreign exchange, raw materials, the problem of skilled labor, taxes, etc.

A new sugar plant brings to the neighboring farmers, at least partially, the much-needed answer to the question of what to grow, especially at this time when there seems to be an overproduction of certain commodities for a world market restricted by war.

Economic history, like political history, has a habit of repeating itself. After the first Great War various European countries faced the very same problems which Canada will face after this conflict. Hungary, Spain, Yugoslavia, Austria and Roumania are examples. The development in those countries may give a clue as to what we should avoid and what we should encourage here.

All of those countries had to import sugar to cover their consumption requirements, and they had, with the exception of Austria, a surplus of agricultural products which were difficult to market. The inflated currency of these countries compelled them to pay their neighbors high prices for their sugar and therefore the development of a home sugar beet industry was considered good business and generally supported. But when their new sugar production got into full swing there were two unfavorable results:

Cut Purchasing Power

1. The neighboring countries from whom they used to buy their sugar soon had less money to pay for the agricultural products the new sugar growing countries used to sell them.

2. Secondly and more serious, there was soon an over-production of sugar in the new growing countries themselves.

Against this overproduction there seemed to be no remedy because production costs in these new countries were higher than world market prices. After most serious financial losses, some restriction of sugar had to be arranged which was highly unsatisfactory to all concerned, that is, the farmers, the shareholders and the public.

It seems a far cry to talk of possible overproduction of home-produced sugar in a country like Canada which, at present, only produces 15% of the domestic demand. But in certain areas, at least the Prairie Provinces, the stage of overproduction might be reached following the establishment of only one or two additional plants.

Sugar consumption in the Prairie Provinces is estimated at approximately 220 to 225 million pounds. From this we must deduct some 30 to 40 million pounds for that sugar which is normally imported into the area as part of other foods, canned goods, confectionery, etc. This leaves us for direct sugar consumption a prairie market of approximately 190 million pounds.

Double Manitoba Output

Present sugar production Alberta is estimated at approximately 85 million pounds and that in Manitoba 20 millions, or a total of a little over 100 million pounds. Expansion in the coming year to meet new plant demands will double production in Manitoba, bringing total output of the Prairie Provinces to approximately 125 million pounds. Deduct this from direct consumption and we have left a shortage of home produced sugar in that area of some 65 million pounds.

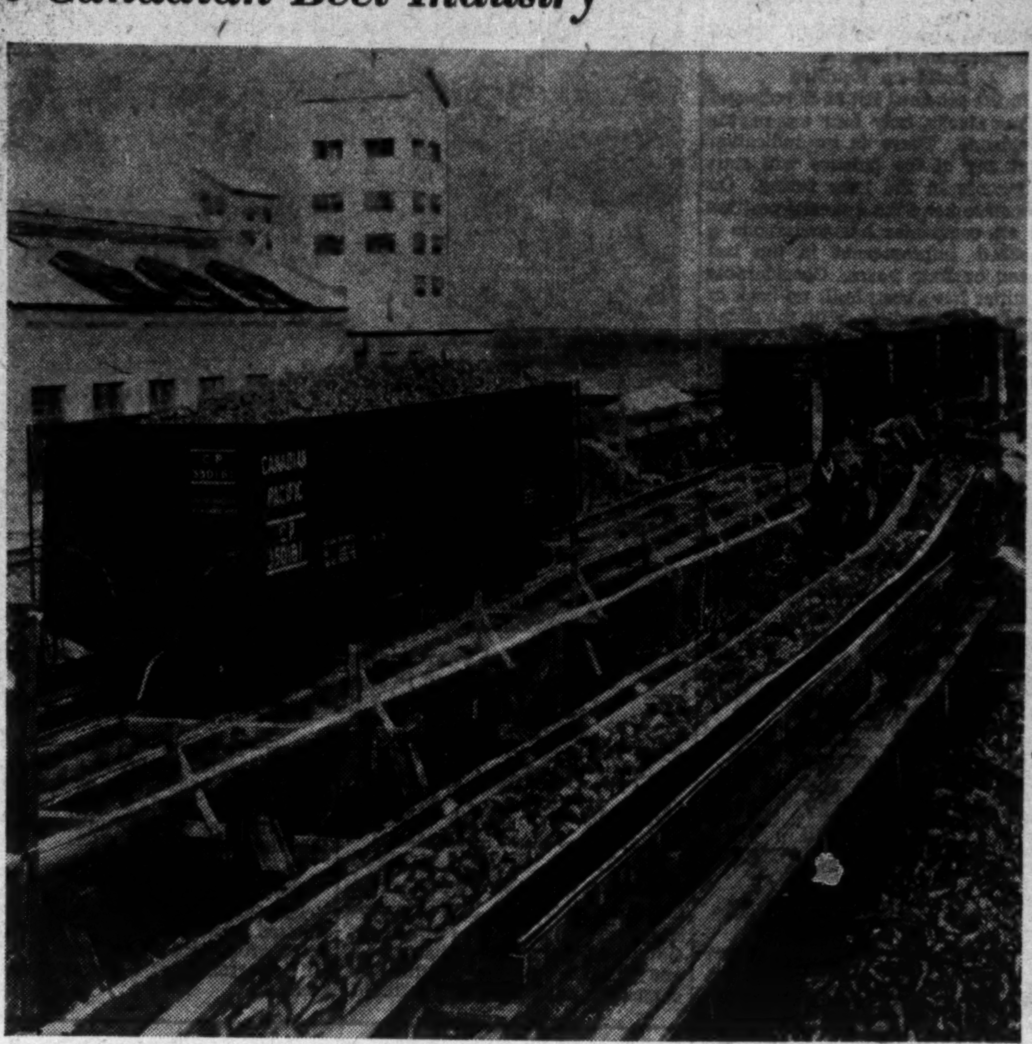
Overproduction in the Prairie Provinces is something that must be given serious consideration, as with their high freight rates, marketing of any surplus to consumers in eastern Canada would be very difficult.

The agricultural basis of the sugar beet industry is of paramount importance. I would estimate that it requires a return of at least $38 to $40 per acre to cover ordinary cost of production in this country and farmers will not continue growing beets at these minimum figures. In Europe the price is not so important as farmers are used to the great amount of labor required and recognize the indirect advantages of growing sugar beets which provide an opportunity for rotating of crops from one field to another and therefore helping to balance farming and there is also a by-product for cattle feed.

But in areas like most of Canada where sugar beet growing is a new development, the price question is all-important, especially in the first few years.

To avoid disaster, of course, any area where sugar beet growing is being considered must have sufficient rainfall, at least 18 inches during the season of growth. Soil is also important and sometimes special machinery must be provided to cope with crops from different types of land.

I would like to stress, however, that the chief difficulty in establishing any new plant is not the provision of technical equipment, sooner or later that can be put in satisfactory working condition, but the agricultural basis. If growers are satisfied and climate and sales conditions are suitable, a new sugar plant in this country would be as sound and successful a business proposition as anywhere in the world. It will procure work and wages for many hundred skilled and unskilled laborers. It will be an economic asset to the district in which it is located and it will be of very substantial indirect benefit to local agriculture in general.



This is a Canadian sugar-beet factory, one of the group which produces about 15% of Canada's sugar needs.

The Week in Business

Current business shows steady gains over last year. D.B.S. index of business activity for week ended Aug. 1, 11% above year ago and slightly above previous week.

Railway carloadings for week ended Aug. 2, over 20% higher than in corresponding week of previous year. Total to date up 23%.

Railway traffic earnings show substantial increases for first week of August over same week of 1940. Cumulatives for year to date up 23% for C.N.R. and 31% for C.P.R.

Construction contracts awarded in July about 9% higher than year ago. Total for first seven months up almost 60%.

Shoe production in June higher than last year, with total for six months up 17%.

Sugar grindings in four weeks ended July 5, about 10% above year ago. Total for year to date 1% lower.

Trend of business shown by The Financial Post Business Index and following key factors, new items for the week being marked thus: ▪

TREND OF BUSINESS—	Aug. 1	July 26	July 19	July 12	Aug. 2/40
Weekly index of business, D.B.S.	114.2	113.5	112.2	112.9	102.6
Commodity prices index no.	91.0	91.1	91.2	90.6	82.6
	June	May	Apr.	Mar.	Year Ago
The Financial Post business index	155.1	150.3	147.9	150.7	141.7
National Income, D.B.S.•	....	438.8	432.4	413.3	403.0
Retail sales index no.	134.3	134.7	135.3	129.3	116.6
Dept. stores sales index no.	▪123.3	129.4	133.4	124.9	106.5
Wholesale sales index no.	140.0	148.4	141.7	125.1	136.3
Country store (% change pr. yr.)	+5.2	+8.8	+13.3	+5.5	+8.3
COST OF LIVING—					
D.B.S. index	110.5	109.4	108.6	108.2	104.9
Family weekly budget	....	$18.30	$18.23	$18.16	$17.85
EMPLOYMENT INDEX Nos., D.B.S.	May 1	Apr. 1	Mar. 1	Feb. 1	Year Ago
All industries	145.5	141.3	135.3	135.2	114.3
Manufacturing	162.3	158.2	150.8	147.4	125.7
			Jan. 1 to date		%
RAILWAYS—	1941	1940	1941	1940	Change
▪Carloadings (week Aug. 2)	63,144	53,261	1,807,055	1,574,119	+14.8
▪C.N.R. gross (week Aug. 7) $	5,620,029	4,464,381	172,990,959	140,540,964	+23.1
▪C.P.R. gross (week Aug. 7) $	4,246,000	3,429,000	123,445,000	94,118,000	+31.1
C.N.R. net revenue (June) $	6,828,443	5,561,206	32,108,211	16,200,082	+98.2
C.P.R. net revenue (June) $	4,068,304	2,923,054	19,919,694	12,636,006	+57.6
IRON AND STEEL—(June)					
Pig iron production (tons)	112,313	88,656	625,551	549,627	+13.8
Steel ingots and castings prod. .... (tons)	187,163	166,213	1,148,435	958,240	+19.8
AUTOMOBILES—(Number)—					
Passenger Cars:					
Domestic sales* .. (June)	8,108	12,604	58,087	69,702	—16.7
Factory output ... (June)	8,538	8,739	65,199	72,179	—9.6
Trucks and Buses:					
Domestic sales* .. (June)	3,557	2,950	20,766	16,897	+22.9
Factory output ... (June)	17,215	9,191	87,672	38,767	+126.3
Financing:					
Used .... (June) $	5,911,251	4,860,525	28,677,863	21,402,739	+34.0
New .... (June) $	3,764,209	3,979,592	22,670,186	19,611,966	+15.6
CONSTRUCTION—					
▪Contracts awarded . (July) $	31,954,800	29,305,600	247,421,400	154,741,100	+59.8
Cement prod., bbls. (Apr.)	569,000	420,000	1,531,746	1,066,862	+43.6
AGRICULTURE—					
Flour prod., bbls. .. (June)	2,117,976	1,170,238	10,016,499	7,567,572	+32.3
Flour exp., bbls. .. (June)	1,750,924	509,308	5,462,140	3,752,006	+45.5
Wheat exp., bush. . (June)	23,113,604	13,570,107	99,021,326	67,702,282	+46.2
Cattle sales▴ .... (June)	82,866	72,661	476,488	449,560	+5.9
Hog sales▴ .... (June)	401,232	324,187	3,011,409	2,323,432	+29.6
SEA FISHERIES—‡					
Catch, cwts. .... (June)	1,044,000	814,000	3,645,800	4,829,500	—24.5
Landed value ...... (June) $	2,823,100	1,754,300	7,544,330	6,316,200	+19.4
NEWSPRINT—					
Production, tons ... (June)	273,697	315,343	1,621,134	1,641,987	—1.2
Exports .. .. (June) $	15,168,000	12,688,000	71,657,357	66,078,845	+8.4
MINING AND OILS—					
Coal prod., tons .. . (May)	1,198,255	1,267,687	7,233,211	7,104,896	+1.8
Coal import, tons ... (May)	1,309,690	2,372,411	3,567,819	4,313,023	—17.2
Gold rec., fine oz. . (June)	405,631	422,257	2,539,879	2,435,293	+4.2
Crude oil imp., gals.† (May)	199,517	147,775	460,563	393,344	+17.1
ELECTRIC POWER OUTPUT—(June)—					
Total monthly, 1,000 kw.h.'s	2,560,060	2,578,883	15,732,385	14,968,503	+5.1
FOREIGN TRADE—♦					
Imports .... (June)	114,923,715	90,704,835	645,284,416	496,100,785	+30.0
Exports .... (June)	146,822,378	111,1621,656	720,313,307	553,711,029	+30.0
OTHER INDUUSTRIAL FACTORS—					
Dressed lumber exp.: 1,000 bd. ft. .... (June)	169,316	246,477	951,368	986,305	—3.5
▪Shoes, prod., pr. ... (June)	2,781,325	1,750,984	14,956,922	12,725,941	+17.5
Cotton consump., lb. (June)	15,915,739	15,378,128	98,620,217	96,600,255	+2.0
Raw rubber imp., lb. (May)	12,536,317	6,961,021	49,437,563	38,651,615	+27.9
Cigarette cons. No.† (June)	665,120	571,268	3,808,680	3,696,588	+3.0
▪Sugar manufactured .. lb.§	109,736,695	99,553,443	475,729,983	483,403,070	—1.4
FINANCE—					
Bank debits† ...... (June) $	4,240,630	2,681,585	18,810,099	17,001,690	+10.5
Bond sales† .... (June) $	40,100	40,851	473,434	1,138,868	—58.4
Life insurance sales (June) $	33,670,000	28,530,000	198,766,000	188,368,000	+5.5

*D.B.S. All Canada figure covering over 90% of the Canadian total.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.
▴Total at yards and plants. New items for week marked ▪
†000's omitted. §For four weeks to July 5. ♦Gold excluded.
•Millions of dollars.

JOHNS-MANVILLE Building Materials

FOR INDUSTRY

Speed the work of plant expansion with • J-M Built-Up Asbestos and Asphalt Roofs • J-M Roll Roofings • J-M Insulating Board • J-M Asphalt Tile Flooring • J-M Rock Wool Insulation • J-M Asbestos Wall Boards • J-M Acoustical Service and Materials.

FOR THE HOME

Modern materials that protect against fire, weather and wear. J-M Cedargrain Asbestos Siding Shingles • J-M Asbestos and Asphalt Roofing Shingles • J-M Rock Wool Home Insulation • J-M Asbestos Flexboard and Wainscoting • J-M Decorative Insulating Board products.

Canadian JOHNS-MANVILLE CO., Limited
Mine and Factory - Asbestos, P.Q.
TORONTO MONTREAL WINNIPEG VANCOUVER

TRENDS IN THE FIELD OF INVESTMENT

Facilities for studying the frequent changes in the field of investment and the status of securities are available to this organization through its branches: These facilities are at the disposal of our clients at any of our offices:

A. E. AMES & CO.
LIMITED
Business Established 1889
TORONTO
Montreal Winnipeg Vancouver Victoria NewYork London, Eng.

Investment Securities

McLEOD, YOUNG, WEIR & CO.
LIMITED
Metropolitan Building, Toronto
Offices at Toronto, Montreal, Ottawa, Hamilton, London.
Correspondents in New York and London, England.

DUN & BRADSTREET of CANADA, Limited
The Mercantile Agency
ESTABLISHED 1841
20 Offices in the Dominion

THE ONTARIO LOAN AND DEBENTURE CO
LONDON, CANADA
Established 1870
DEPOSITS ACCEPTED 5-YEAR DEBENTURES ISSUED
Deposits and Debentures (31 Dec., 1940), $12,147,569
Capital (Fully Paid), $2,000,000 Reserve Fund, $2,400,000

Giants of War

are cradled in peace ...

WHEN in 1783, Sebastien Lenormand conceived the idea of a huge umbrella which would safely carry people from high places — he pictured his invention as a contribution to the saving of life. As a means of escape from fire was the original thought. Later Lenormand's umbrella (christened 'parachute') was used as a safety device in free balloons. In the news — and forgotten — by turn, the parachute's development was a hit-and-miss affair until 1921, when British and American flying men saw its possibilities and brought it to its present stage of perfection.

From its original purpose of saving life the parachute has developed into one of the most fantastic and most surprisingly effective of contrivances of modern warfare. From its humble beginning of carrying a man a few feet from a burning building — the present-day parachute carries fully equipped soldiers, dropped from planes flying low over the scene of battle.

Just as parachutes have been enlisted for the purposes of war — so have the many types of steel castings produced by Hull Steel for industries of peace been adapted and called on to play their part in the Empire's armament programme.

HULL STEEL
FOUNDRIES LIMITED
HULL - QUEBEC

Pulp-Paper Stocks Get Attention

Tax Question Settled, Good Earnings in Prospect

From Our Own Correspondent

MONTREAL. — Though no official information is available as to rulings by the Federal Income Tax Department on taxation payable by the individual Canadian pulp and paper companies, it is understood the provision made in the 1940 accounts by the operators is sufficient to take care of assessment.

In practically every instance the operators reported minimum provision for income and excess profits taxes. The newsprint manufacturers, as a group, appealed to the Department for consideration as a "depressed industry." This was granted. In the case of fine paper makers, kraft manufacturers, etc., provision was made generally to pay the full tax.

Pay More This Year

As the situation now shapes up the pulp and paper companies will be called upon to pay additional taxes on their 1941 business, the minimum income and excess profits tax being stepped up from 30% to 40%.

Against this the companies are expected to show as big a revenue this year as was the case in 1940. In some instances income may be a bit higher.

On net, the pulp and paper operators should be able to register as large a profit as in 1940. This means, in many instances, earnings of as much as $2 a share or better.

In view of the ruling of the income tax department and the expected returns for this year, a renewed interest is being shown in the pulp and paper stocks. To date this has not been reflected in any appreciable increase in trading. However, it is noted the group as a whole is receiving more attention which, if expected net earnings materialize, may result in an upward movement of prices.

A glance at some of the more actively traded pulp and paper stocks reveals that, on an average, values are moderate. For example with earnings of better than $2 a share, Price Bros. and Co. common sells for less than 12. St. Lawrence Paper Mills preferred, which last year earned $4.14 a share, sells at 36. Bathurst, with earnings in 1940 of nearly $2 a share on the "A" stock, sells between 12 and 13.

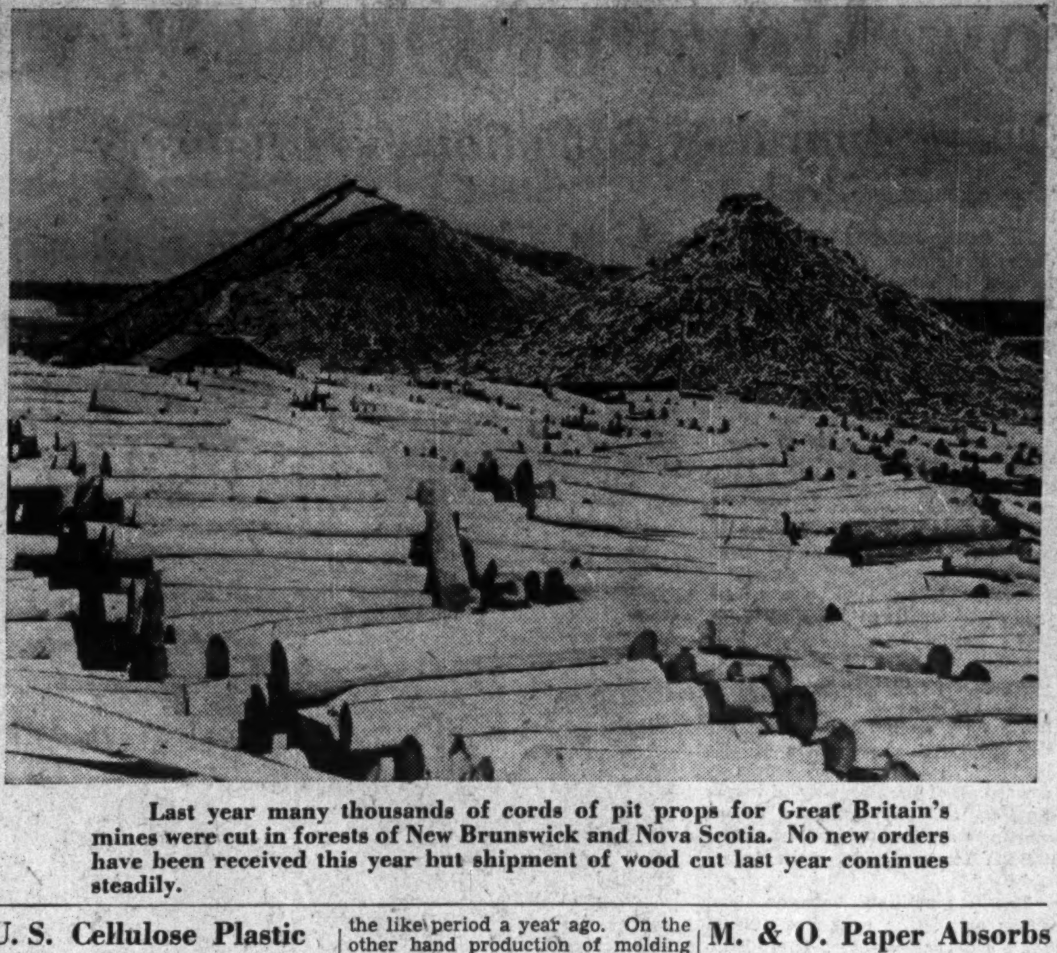
Build up Equities

In the attached list of 12 pulp and paper stocks, only four are paying dividends. There is no indication that any of the balance will start payments in the near future. On the other hand the financial position of all companies has undergone a marked improvement in the last three or four years. Considerable equities have been built up back of the junior securities. With the added returns for 1941, the financial position of most of the operators listed will be the best reported in the past 10 years; a fact which is attracting attention.

12 Pulp and Paper Stocks

Operator	Gross Income	Tax Provision	Share Profits	Share Price
Bathurst	$1,728,504	$504,418	$1.97	12⅜
Brompton†	1,406,663	302,940	2.11	16
Cons. Paper	8,558,340	407,700	.40	3⅝
Donnacona	1,091,869	69,918	.34	4½
Dryden	290,037	....	......	5¼
Fraser Cos.	3,221,641	310,500	1.00	9
Great Lakes	1,804,557	225,000	1.59	1.50—5
Howard Smith	4,512,298	1,794,693	2.23	14
Lake St. John	1,213,718	61,000	.04	8
Price Bros.	5,495,146	1,000,000	2.17	11½
Rolland Paper	501,576	72,109	1.20	13
St. Lawrence Paper	1,618,804	267,076	4.14*	36

†St. Lawrence Corp. "A"
*Preferred.



Last year many thousands of cords of pit props for Great Britain's mines were cut in forests of New Brunswick and Nova Scotia. No new orders have been received this year but shipment of wood cut last year continues steadily.

Pulp Industry Aids War Work

Company Schools Training Reserve of Skilled Workers

From Our Own Correspondent

MONTREAL.—Canadian pulp and paper mills have established training schools to relieve the shortage of skilled machinists in war industries. Under a special committee of the Canadian Pulp and Paper Association an educational programme is being undertaken to build up a reserve of trained men to replace employees released or loaned for war work.

The pulp and paper industry has already supplied a number of skilled workers to war industries and has loaned machine shop facilities to plants engaged in war work.

The pulp and paper schools give workers a short but balanced training in practical shop work. To date applications for the courses have exceeded ability of the schools to handle the men.

All parts of the pulp and paper industry have co-ordinated their efforts in making the training schools as effective as possible.

As senior machinists and technicians are released for war work trained men are being made available by the training of junior men in the schools.

Response to the scheme has been excellent and hundreds of pulp and paper employees are taking the courses.

The training period has been limited to 12 months as a maximum. The course has been concentrated so that it is judged the men will be able to assume positions of responsibility after its completion.

The training consists of two parts: Home study courses to provide theoretical training, and practical machine shop instruction. The two parts are co-ordinated to combine theory with practice.

The plan is being watched by the Dominion Government, which has endorsed the Association's effort to speed up war production.

Newsprint Board Issues Survey 7

Analysis of U.S. Publishing Industry Made for Canadian Manufacturers

From Our Own Correspondent

MONTREAL.—Newsprint Association of Canada has issued Survey No. 7, a sequel to Survey No. 5, covering a study of trends of United States newspapers. The study was prepared for Canadian newsprint manufacturers to inform them regarding general trends which have a bearing on the sale and consumption of newsprint paper, especially on American papers which take over 70% of Canada's newsprint exports.

The Survey is divided into four major parts: general trends, advertising trends, circulation trends, and costs and earnings. Each phase of the publishing business is analyzed in detail and a number of striking points brought out.

In the summary of the survey it is said "the prospect is not that the newspaper will disappear from the American scene but that it will not be able to re-establish a sound equilibrium between its revenues and its costs with a further contraction of activities."

An interesting comment made is that "most of the unfavorable trends of the newspaper business have been caused by forces over which publishers have had little control, such as the decline in total expenditure for advertising and the improved technique of competing media. In this and in other respects there is a close parallel between the newspaper and the railway business."

U. S. Cellulose Plastic Output Up This Year

From Our Own Correspondent

MONTREAL. — Cellulose plastic production in the United States during the first half of 1940 was on a slightly higher basis than a year ago. Output in the form of sheets, rods and tubes totalled 2.8 million lb., compared with 3.9 million lb. for the like period a year ago. On the other hand production of molding compositions totalled 12.8 million lb., compared with 5.9 million lb. in the first half of 1940.

NEWSPRINT IN URUGUAY

The Government of Uruguay has granted a quota for import of newsprint from Canada of $250,000 in U. S. currency, at the free rate of exchange.

M. & O. Paper Absorbs Insulite Company

Minnesota & Ontario Paper Co. reports the absorption of the Insulite Company by the parent organization. The change will simplify the corporate structure. From now on, all Insulite activities will be carried on by the Insulite Division of the Minnesota & Ontario Paper Co.

"IP" Simplifies Capital Set-up By New Plan

Proposal Would Wind Up Holding Unit as Power Properties Sold

From Our Own Correspondent

MONTREAL.—With the disposal of the hydro-electric power investments of International Paper & Power Co. and its subsidiaries, there is no longer any necessity to continue the existence of International Paper & Power Co. The latter, which is solely a holding company, will be wound up and control of all the assets will be taken over by a new New York corporation which will take the name "International Paper Co." The present International Paper Co. will be consolidated into the new corporation.

A special meeting of shareholders has been called for Sept. 25 to vote on the programme which will achieve two results: simplification of corporate structure and economy in administration expense and taxes.

The plan does not involve any change in the present interest of any shareholders or warrant holders of International Paper & Power Co., although certain technical changes are inherent in the change from a Massachusetts voluntary association to a New York corporation.

Programme in Two Steps

The programme being submitted to the shareholders involves two separate steps.

The first step involves (a) transfer of the assets of International Paper & Power Co. to the New York corporation in exchange for the latter's preferred and common stock purchase warrants; (b) termination of International Paper & Power Co. and (c) distribution to its shareholders and warrant holders of shares and warrants of the new corporation.

Shareholders of International Paper & Power Co. will receive the same number of shares of the same class of stock in the new corporation that they now hold in International Paper & Power Co. The new corporation's 5% preferred stock will carry the same accumulation of dividends as the present 5% preferred stock of International Paper & Power Co. Warrant holders will receive warrants in the new corporation that will represent the right to buy the same number of shares in the new corporation and at the same price.

Consolidate Operations

The second step involves consolidation of the present International Paper Co. into the new corporation. It will, by the consolidation, assume the liabilities and acquire the assets of the present International Paper Co., including direct ownership of all the major operating properties now controlled by International Paper & Power Co. in the United States.

Secure Complete Control

The amount of International Paper Co.'s stocks remaining in the hands of the public is very small—only 6.796 shares of 7% preferred, 38 shares of 6% preferred and 266 shares of common at June 30, 1941.

Shortly after completion of the programme the publicly-held 7% preferred stock would be called for redemption at $115 a share after receiving all back dividends.

The publicly-held 6% preferred and common stock would be converted into the stock of the new corporation, not more than 43 shares of 5% preferred stock and 608 shares of common stock of the new corporation being required for this purpose.

All of International Paper Co.'s stock now held by International Paper & Power Co. would be cancelled. These holdings now amount to well over 99% of the outstanding shares of each class of International Paper Co.'s stock.

Control Canadian Units

With the plan in effect, control of the Canadian properties of International Paper Co., which include newsprint mills at Dalhousie, Three Rivers and Gatineau; pulp mills at Hawkesbury and Kipawa, a half interest in the Masonite mill at Gatineau and other interests, will be put in the new International Paper Company.

Canadian Celanese Net Profit Grows

From Our Own Correspondent

MONTREAL — Net profits of Canadian Celanese Ltd. for the first half of 1941, after provision for taxes, were substantially better than a year ago.

Sales for the past half year were sharply higher, while operations of the company have been at capacity rate for some time.

The company is continuing its expansion programme and will shortly be using artificial wool for blankets, rugs, etc.

Amer. Cyanamid Net is Higher

Large Gains in Income Partly Offset by Heavier Expenses and Taxes

American Cyanamid Co. reports a gain of $4.2 millions in net income for the six months ended June 30, 1941, to $11.8 millions. All expenses, however, with the single exception of interest and amortization charges on funded and other debt, are also higher. The result is that net profits available for the common shares are equivalent to 93 cents a share compared with 85 cents a share for the corresponding period of 1940.

Consol. Income Statement
Six Months Ended June 30

	1941 $	1940 $
Net oper. profit	11,335,211	7,179,991
Add: Divds., int., disc.	350,479	281,138
Royalties, licenses	96,100	73,879
Other earnings	16,112	19,457
Total income	11,797,902	7,554,465
Less: Deplet. & depr.	2,418,401	1,786,693
Research & develop.	1,518,895	1,218,014
Debt charges	205,252	230,085
Tax provision	3,305,433	1,462,000
Contingency prov.	1,700,000	500,000
Net profits	2,649,921	2,357,673
Less: Pref. divds.	213,714	117,030
Net avail for com.	2,436,207	2,240,643
Earn. per Share Com.	$0.93	$0.85
Shares O/s.:		
Preferred	854,861	468,127
Common	2,618,364	2,618,365

Gain Is Reported By Power Corp.

Group Shows 6.16% Increase During June Over Last Year

From Our Own Correspondent

MONTREAL. — Reversing the trend of the past several months, controlled and affiliated companies of Power Corp. of Canada reported increased production of electric energy in June, compared with June, 1940.

Output of the six companies totalled 212.4 million kw.h. for the month, an increase of 12.3 million kw.h. or 6.16% over the same month last year.

Only two companies, Southern Canada Power and East Kootenay Power, showed lower output of energy during the month.

Winnipeg Electric Co. reported the largest gain, increased production to 76.4 million kw.h. for the month, against 66.8 million kw.h. in the corresponding month last year.

Six Months Down

In the six months period to the end of June, output of the six concerns, totalling 1,290 million kw.h., dropped by 4.4 million kw.h., or 0.4% from the same period of 1940.

Output of Eectric Power

June:	1941	1940
	(In 000's of kw.h.)	
Southern Canada	17,507	19,173
Can. Nor. Power	60,621	58,664
East Kootenay	9,344	9,493
B. C. Power	47,330	44,858
Nor. B. C. Power	1,215	1,113
Winnipeg Elec.	76,364	66,761
	212,381	200,062
Six Months Ended June 30:		
Southern Canada	120,407	122,711
Can. Nor. Power	371,312	379,455
East Kootenay	49,718	50,420
B. C. Power	322,158	302,437
Nor. B. C. Power	7,008	6,150
Winnipeg Elec.	419,517	433,395
	1,290,120	1,294,568

Dubé, Leblond & Co. Personnel Changes

From Our Own Correspondent

MONTREAL.—Louis-Eugène Leblond has disposed of his interest in Dubé, Leblond & Co., Quebec investment dealers. The business will be carried under the name of Oscar Dubé & Co., with Oscar Dubé as president.

Silk Operators Ready for Ban

Hosiery Mills Have Seven Months Supply of Silk and Products

From Our Own Correspondent

MONTREAL. — The Dominion Government's order freezing all supplies of raw silk for war purposes will only mean the speeding up of the silk substitution plan, according to hosiery manufacturers in the Montreal area.

Plateau Co. Ltd. of Montreal, a government-owned and operated company, has been chosen as the Department of Munitions and Supply authorized representative for all purposes of the order-in-council.

The new regulations, announced by Munitions Minister C. D. Howe, closely follows a similar measure in the United States. The Canadian silk industry has had an advantage, however, because Canadian manufacturers have been steadily reducing consumption of silk on "non-essential" goods since last March.

Since June the industry has been using only half as much silk as formerly, making up the difference with fine rayon and lisle imported from England and, to some extent, the use of Canadian rayon. This plan has been followed in order to lessen expenditure by Canada of American dollars for raw silk which was imported through the United States.

As agreed upon by representatives of the industry and the government, the mills were to go on to a 40% silk basis this October, with subsequent reductions undecided. Under the present situation, some modification of the silk reduction scheme may take place.

Good Supply on Hand

At present Canadian mills have silk stocks sufficient for approximately four months' operation. The use of these supplies will permit a reorganization of the reduction scheme without an abrupt stoppage of silk. In addition, stocks of hosiery already manufactured are probably sufficient for two or three months. This means the advent of a completely silkless stocking is about seven months away.

For the past six months Canadian mills have been working with substitute materials such as rayon and lisle, mixing them together with silk for full-fashioned hosiery. With this experience behind them, Canadian mills have got a head start on the change over to hosiery made entirely without silk.

Nylon will also take its place in the silk reduction scheme. At present, only limited supplies of this fibre, in sizes suitable for hosiery, are imported, but the Canadian plant under construction at Kingston is expected to be in production around the beginning of the new year.

U. S. Newsprint Imports From Europe at Bottom

From Our Own Correspondent

MONTREAL. — United States imports of European newsprint paper to the end of May this year totalled only 2,299 tons. This is the lowest figure reported in 20 years or more and reflects the blockade against exports from the Scandinavian area. In the like period of 1940 the United States imported 27,204 tons from the same source and 134,884 tons for the first five months of 1939.

The trend of imports by months follows:

U. S. Imports of European Newsprint
(Five Months Ended May—in Tons)

	1941	1940	1939
January	1,148	8,953	22,930
February	16	8,882	20,100
March	785	1,854	35,029
April	....	7,323	25,339
May	350	192	31,486
Five mos. total	2,299	27,204	134,884

St. Regis Paper Co. Plan Approved

From Our Own Correspondent

MONTREAL. — Shareholders of St. Regis Paper Co., which holds extensive timber limits in Quebec, have approved recommendation of the board of directors to writing down the book value of certain of the company's investments. Holdings of stock in the United Corp., Taggert Corp. and Carthage National Exchange Bank have been written down to $3,140,000 against the company's valuation at December 31, 1940, of $22,416,907.

LIKE THE MOVING TREES
OF DUNSINANE

CANADA'S FORESTS ARE ON THE MARCH

Nine centuries ago Macbeth's unbelieving eyes saw the Scottish trees moving against his castle of Dunsinane. Today a Canadian forest army is on the march — an army for freedom against Nazi slavery. This army draws its strength from a million and a quarter square miles of Canadian forest. In its battalions are the 100,000 workers of the pulp and paper industry — in the woods, at the mills, in the offices.

More Valuable than Gold

Pulp and paper has become a war industry. Many of its products are directly used for war needs; nearly all of them are exported to United States and other countries to provide the money Canada must have for planes and ships and guns. Last year pulp and paper gave Canada nearly 250 million dollars of foreign exchange; exports of mined gold were 203 millions, wheat and flour exports were 145 millions.

The industry's machine shops have been geared into the output of munitions. They are providing essential facilities, not otherwise quickly available, to speed the tools of war for Victory.

Pulp and paper is Canada's biggest industry. It is in this war; it knows its responsibility. Every worker in this great industry has a part to play in the fight for survival. Every log that comes to a blockpile is a blow against Nazi tyranny. Every ton that leaves a mill means another tool to finish the job.

THE PULP AND PAPER
INDUSTRY OF CANADA
972 SUN LIFE BUILDING MONTREAL

THE FINANCIAL POST

Largest Circulation of All Canadian Financial Papers

Vol. XXXV | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, AUGUST 16, 1941 | 10c a Copy; $5.00 a Year | No. 33

Staggered Work Hours; What They Mean

Would Bring Big Savings, But Theatres, Restaurants, Friendships Affected

By A. D. Ellwood and J. E. Langdon

Canada's urban transportation systems are facing a crisis of major proportions.

The Oil Controller has to find ways to save gasoline and oil and to make dwindling supplies cover essential requirements.

The Motor Vehicle Controller has to cut down production of motor vehicles to save on metals, labor and assure plenty of this essential equipment for the fighting forces.

The Power Controller has to assure enough power for industry. He has only a limited supply to pass around and is faced with a mounting demand.

These three controls all leave their impact on the transit systems and they do it at a time when increasing employment would mean higher passenger traffic under any circumstances.

To deal with this situation the Dominion is expected shortly to name

Transit Controller

W. J. LYNCH
Whose appointment as first transit controller is expected to be confirmed by Ottawa shortly.

W. J. Lynch of Quebec City as Transit Controller. Mr. Lynch is a former assistant general manager of the Quebec Railway, Light, Heat and Power Co.; has long been active in the affairs of the Canadian Transit Association and is thoroughly bilingual.

The job is to see that workers get to and from their work with least delay and with the most economical use of equipment, man-power and electric-power.

The powers are wide to enforce rulings which he considers desirable in any particular situation. He will, of course, be working in close collaboration with employers, merchant associations, city officials and the Canadian Transit Association.

While the staggering of working hours might seem to be a very simple arrangement, there are many difficulties in working out a plan satisfactory to all interests.

Retail stores, in some instances, might be seriously affected by the plan.

Restaurants would no longer have to contend with a "peak" in noon-day demand, but would have to provide luncheons over a longer period.

Motion picture houses and places of entertainment would be affected.

In fact nearly every phase of community life would feel the effect of staggered working hours; some favorably and others unfavorably.

The need for adoption of such a plan does not apply to all parts of the Dominion. At this stage there are probably less than a dozen centres where the plan would seem to be justified.

The West is likely to remain unaffected. Most of northern Ontario and the Maritimes would be outside the scheme.

The need is great only in those industrial areas engaged in war work. In such centres as Montreal, Toronto, Hamilton, Windsor and Halifax it would appear tnat the "8 to 5" working day is on its way out for the duration.

Last May 12,542 firms reported to the Dominion Government they had a total working force of 1,450,542.

A year ago 11,970 firms reported 1,117,547 names on their payrolls.

It will be noted that over the past year employment in Montreal increased by 19½%; in Quebec, 36%; Toronto, 26%; Ottawa, 27½%; Hamilton, 31% and Windsor, 51%.

These figures only tell part of the story as cities like Toronto and Montreal provide urban transportation service for near-by municipalities many of which are highly industrialized.

In the event of gasoline rationing, the problem of having to provide some means of transport for workers who drive their own cars to work would have to be assumed by the street railways or bus companies. This extra service is provided to certain large industrial plants by bus companies or street railway operators.

In Canada's five largest cities, roughly 41% of workers use street car, bus or train to get to work; another 45% use automobiles. If all those now using automobiles turned to the street cars, buses or trains, it would add 76% to the load these systems have to carry in Montreal; 240% in Vancouver.

The obvious way to solve such a problem would be to add more equipment but here the other controllers step in. All applications for permission to import motor buses have to be passed by the Customs Department in consultation with Finance, Motor Vehicle Control and others.

Frowns on More Cars

The Power Controller looks at his dwindling power reserves and frowns on more street cars. In most Canadian cities, already power facilities and transformer stations serving street railway systems are working at capacity, and it is almost impossible to get more equipment even if the power could be found to use.

There is one other answer: staggering working hours.

There is nothing very fearsome about this business of staggering hours. Most city dwellers are already familiar with daylight saving and find it an advantage rather than an inconvenience after the first few bitter mornings of adjustment.

Going to work an hour earlier would not be much different from an extra hour of daylight saving; going an hour later would bring the schedule back to standard time. The catch might be that only a portion of your friends and associates would make the same shift that you did.

There would be no real problem if it were not for the almost universal 5 p.m. closing hour for offices, stores and many factories. In Toronto alone, for example, between 5 and 6 p.m. each working day from 50,000 to 60,000 workers have to be moved out of the downtown area by the Toronto Transportation Commission. It means that 140 cars have to be made ready for one trip only. By the time they have reached the end of the lines with their rush hour loads, the peak has passed and they roll back into the yards to stand idle for another 24 hours.

Waged Long Campaign

For years urban transit systems have been campaigning, without any noticeable success, to have office and factory hours staggered. In place of the universal 8 or 9 a.m. to 5 p.m. day, they would have a portion of workers start at 7.30 a.m. and quit at 4.30 p.m.; others would come in at 8 or 8.30 a.m., with corresponding changes in closing hours.

They are aiming at the peak load which is the only real problem concerned here. It costs 33 cents per passenger (for the one-trip cars already mentioned while the company gets only 6¼ cents per passenger in fares. This illustrates why the problem is not a new one to the transit companies.

Ottawa is likely to be the first Canadian city to give the staggered working hour system a trial. In that city it can be done easily by Government edict as most of the workers have Government jobs. Moreover, the load on the Ottawa Electric Railway Co. has pushed it beyond any reasonable limits. Washington has had this system under trial for several months with what is said to be excellent results.

Unofficially, and through voluntary co-operation between industry and the Toronto Transportation Commission, the staggered hours idea has been given a trial and found to work.

Last May a large war industry in Toronto planned to change over from a three-shift day and seven-day week to a two shift-day and six-day week in the interests of more efficient production. The plant then employed about 4,500 men working the following hours:

1st shift, 8.00 a.m. to 4.30 p.m.
2nd shift, 4.30 p.m. to 1.00 a.m.
3rd shift 1.00 a.m. to 8.00 a.m.

It was planned to change over to a two-shift day with one shift working from 8.00 a.m. to 5.30 p.m. and the other from 5.30 p.m. to 3.00 a.m. Moreover, this plant expected to increase its staff to about 10,000 within two or three months of whom a large number would be girls.

The proposed shift hours came at the worst possible time, coinciding with the regular peaks in the morning and afternoon. It would have required 25 extra street cars to handle this traffic alone at hours of shift change. These 25 extra cars would require men operators. They would have added 1,625 H.P. to the T. T. C. peak power demand. This peak power demand is already approaching substation capacity and the extra power would have aggravated an already near-critical situation.

Easy Solution

The solution reached by negotiation between the parties concerned was simple. Shift hours were altered to 7.00 a.m. to 4.30 p.m. and 4.30 p.m. to 2.00 a.m.

In some Canadian cities the rate of growth in passengers carried by transportation systems has carried the monthly average ahead of all previous peaks. For all of Canada, it is estimated that passengers carried by city bus and street railway systems are only slightly below the previous all-time peak of 1929 and at the prevailing rate of gain should soon surpass this milestone. In Toronto, for example, accelerating monthly gains in average passengers carried have ranged this year up to about 20% compared with a gain for all of 1940 of 10%.

Other Canadian cities where the problem of crowded and overloaded street railway systems is acute are Montreal, Toronto, Halifax, Hamilton, Windsor, Saint John, London and a few others. It is worst as yet in eastern Canada but with Vancouver showing more workers using their own automobiles to get to work than any other city, gasoline restrictions could make this problem very acute on the Pacific Coast as well.

In Halifax the large influx of war workers and the greatly increased port traffic have created a pressing situation for the Nova Scotia Light and Power Co., which provides the tramway services. At the beginning of 1940 the company had 51 one-man street cars in operation. Facilities have been taxed to the utmost. The situation is further complicated by the fact that power generating facilities of the company also are taxed to the limit.

Similar conditions exist in Saint John, though the traffic load is not so heavy. New Brunswick Power Co. has 34 one-man street cars and six buses, all of which are in service. In New Brunswick interurban bus service is provided by S. M. T. (Eastern). This firm uses British-made buses almost exclusively. Now it can't get repair parts nor can it buy U. S.-made vehicles.

Quebec City is served by Quebec Power Co. through its subsidiary Quebec Railway, Light and Power Co. The company also provides an interurban service. Street cars have been substantially replaced by buses in the last two years. Traffic has recorded a sharp increase in volume and apparently equipment is sufficient to take care of present needs.

St. Maurice Transport Co. provides urban transportation facilities in the important industrial area of Three Rivers. Street cars were abandoned some time ago and all services are provided by bus.

Four new buses have been ordered by the company and should go into service shortly. Recent application to purchase two more Diesel-engined buses was turned down by Ottawa.

Provincial Transport Co., of Montreal, which provides an extensive interurban bus service in Quebec and also has contracted to provide transportation for a number of industrial plants just outside of Montreal proper is at its "wits end to cope with the traffic."

Last January this company applied for authority to purchase additional equipment, anticipating what was going to happen in industrial employment, but Ottawa turned down the request. Lately the company was given a permit to import a limited amount of equipment and though the order was placed immediately, manufacturers say they cannot make delivery until next spring.

Montreal Tramways Co., which supplies urban transportation service to the greater part of the Island of Montreal (one of the largest industrial centres in Canada) has been forced to put all equipment—tramway, bus and trackless trolley—in service.

The Toronto Transportation Commission has some new equipment coming along for the fall and winter peak. It has 60 new streamlined street cars on order and is expecting delivery this fall. This will make 250 new street cars added over the past three years.

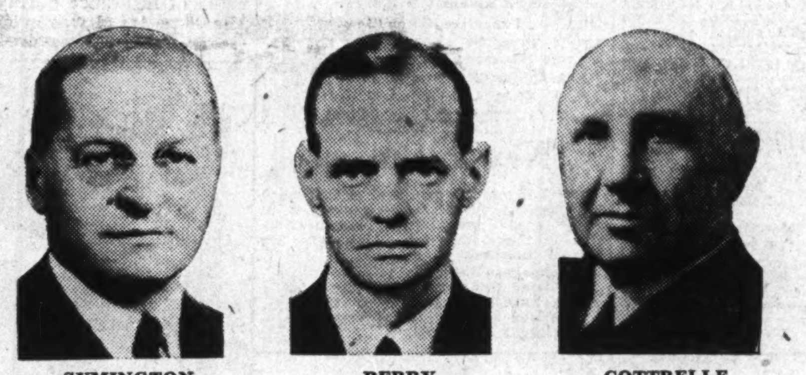
When the T.T.C. found difficulty in getting permits to import motor coaches from the United States, where most of the heavy duty coaches and buses are made, it turned to a Canadian-made product for city service. The Ford Motor Co. of Canada makes a rear-engine bus which is giving excellent service. The T.T.C. has 12 of these now in service and has ordered 25 more. Deliveries can be arranged with reasonable ease on these. The T. T. C., which operates the Gray Coach Lines covering much of Ontario in interurban service, has been trying for some months to get 12 more 33-passenger buses and has recently received permits for six.

Shifting Work Hours for Some Cuts Off the Peaks

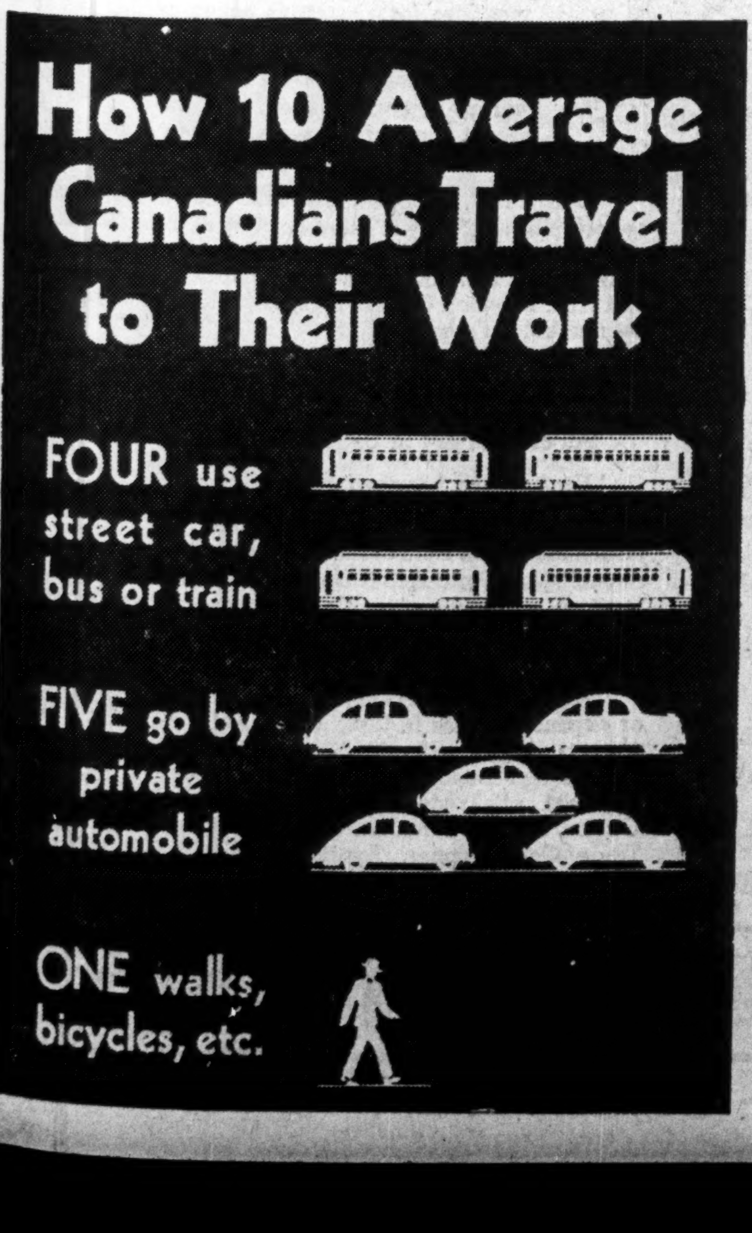
The chart shows the ups and downs in demand on public transportation systems in a large Canadian city, using as a measurement the number of persons leaving and entering the downtown area per ten-minute period. Moving work hours ahead half an hour for 5,500 persons, or about 10 per cent of estimated workers in the area, would reduce the peak demand on transit facilities approximately as indicated here by the solid area and by the dotted line volume curve.

Photos—Toronto Transportation Commission.
Data—Canadian Transit Association.

—works with these three controllers



SYMINGTON Power — **BERRY** Autos — **COTTRELLE** Oil



Saving Your Fat

War Enters the Kitchen, as Soap and Shortening Raw Materials Run Short

By KENNETH R. WILSON
STAFF WRITER

Can your family save a pound of fat a week?

Very soon now in most big cities the refuse collector will be regularly picking up what you have salvaged from kitchen fats and bones. In Toronto the service has already started. In smaller communities where there is no regular garbage collection the work will be done by local women's organizations, by Boy Scouts.

Canadians in the past have been prodigal of fats and other materials which thrifty Europeans have long learned to conserve. Within a few weeks, all Canada will be trying to avoid waste of fats as a way to meet a war emergency.

Before the war, Canada imported about 225 million pounds of vegetable oils each year. In 1938, the figure ran to almost 250 million pounds.

Long, Romantic List

These oils came from many parts of the world but largely from the United Kingdom and the United States. The list was varied, romantic. There was chinawood oil, linseed, cocoanut, rape seed, cottonseed, olive, palm, soya bean, perilla, sesame, peanut and foots oil.

Today the lack of shipping facilities has cut off many sources of supply. Equally important is the fact that a big tonnage of vegetable oils comes from the United States or must be paid for in U. S. dollars. To buy them takes valuable U. S. exchange, needed for war supplies.

Vegetable oils are used chiefly for shortening and for soap. Some find their way into specialized uses—paints, printing inks, textile manufacture. Several weeks ago the big users of vegetable oils—the makers of shortening and soap—had their import quota cut under wartime controls by about 30% of the volume of recent years.

The actual import quota set by the Wartime Prices & Trade Board for the next 18 months is 104% of the average for the past three years, reducing imports on an annual basis to about 70% of normal. The Board has warned that even more drastic reduction is in prospect in 1943.

Big Cut in Imports

The cut in imports is almost 50% of increased current needs.

Authorities now see two chief methods to meet the nation's self-imposed deficiency of soap and shortening ingredients:

1. Allowing the situation to work itself out by the normal forces of supply and demand, which would mean reduced production and use, higher prices if the Prices Board would allow them, probably both. It might even lead—who knows?—to rationing of vegetable oil products.

2. Supplementing the reduced imports of vegetable oils by animal fats salvaged in Canada through a nation-wide, co-operative anti-waste campaign, reaching into military camps, hotels, restaurants, institutions, abattoirs, as well as urban Canadian households.

The shortening problem is to provide lard and edible tallow to make up the deficiency of imported oils.

One big saving will come by changing methods of meat buying and handling. For example, by cutting the fat off the kidney at the abattoir instead of selling it to military camps and other big users encased in fat as now. A saving of 25 pounds per carcass is possible here.

Another way is for big users such as military and institutional buyers to purchase rindless, sliced bacon direct from the abattoir and leave the rinds and ends for fat purposes.

Another saving is expected from the fact that tallow prices, which formerly averaged about 1½ to 3 cents a pound, have now risen to 7 cents. This means it is doubly profitable for big institutional users—hotels, restaurants, etc.—to save as much as possible and that it becomes more profitable to collect these fats commercially.

Then a "leak" which used to exist has been plugged.

For five years, huge quantities of fats, bones, etc., have found their way into the United States from Canada to take advantage of higher prices in that market. They have been avoiding a special 3% processing tax and a ½-cent poundage duty which was supposed to apply.

Now, such exports have been prohibited and there will be a saving in fats to Canada of perhaps 15 to 20 million pounds.

Another important addition to domestic supply is the new cocoanut oil plant at Vancouver which is expected shortly to be producing upwards of 40 million pounds.

Another important source of fats are fish oils. By extensive development it is estimated that consumption of fish oils for various purposes (chiefly soap manufacture) may be increased by as much as 35 million pounds.

Then there is the housewife and her kitchen.

How Much From Kitchen?

No one knows how much fat can be saved from Canadian households. According to census records there were in 1931 over 2.2 million households in Canada. Of this number about 1 million are rural and farm households from which no collection of fats will be attempted at the present time. If the remaining number of householders were able to save one pound of fat a week and this could be collected by civic garbage systems and by voluntary organized effort in smaller communities, there would be a possible annual saving of between 50 to 60 million pounds. This fat would go into the manufacture of soap, very largely.

This would mean no deterioration in product. On the contrary it might improve the quality of many brands of soap. The most expensive soaps that are made use up to 75% of animal fats.

The Army is also co-operating by starting to make its own soap. A very successful experiment was carried out recently by the conservation section of the R.C.A.S. Corps, Victoria.

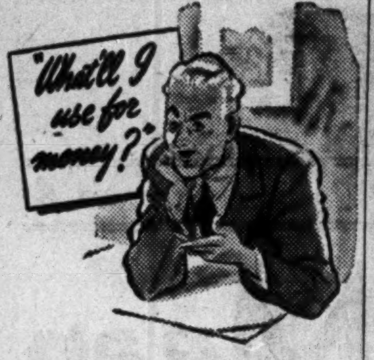
With the help of the Royal Canadian Engineers, and at a total cost of approximately $500, a processing plant equipped from some salvaged Army ranges, discarded oil drums and other materials was set up 18 months ago in an old building. Waste fats and drippings were collected from camps on the Island, and the Army soap factory went to work under the direction of a former soapmaker, Staff Sergeant F. B. Macdonald, who has already developed several products from his own formulas.

Now producing up to 12 tons a month with a potential monthly net profit of about $1,100, the types of soap include hand, laundry and auto soap, mechanics' hand paste, windshield cleaner, floor sweeping and washing compounds. The products are alkali-free, contain no filler, will not deteriorate with age, and contain all the natural glycerine. Depending on the type, they are packed in salvaged jam pails, coffee, baking powder and corn syrup tins, prune and butter boxes.

Plan Other Factories

In addition to making use of kitchen waste which it was found could not profitably be disposed of to salvage concerns, a big garbage and salvage problem has been solved, and it is planned to use the services of Sergeant Macdonald in getting new plants under way at Camp Borden, Petawawa, Valcartier, Debert, N.S., and Sussex, N.B.

At Victoria a laboratory is in operation. Information from other countries on the reclamation of waste material is being obtained to increase the output. A very useful product is satin soap which is excellent for washing vehicles. It has a light body and does not scratch paint. A cleansing powder developed by the Sergeant soapmaker for removing stains from pots, pans and dishes is also effective in removing road films and hard grease from the Army's motorized equipment.



● Nine men out of ten, when asked, say they cannot afford more life insurance; but through the Special Budget Plan of the North American Life you can now secure the insurance you have always wanted, and pay as little as $5 a month.

You don't have to save up to pay a big premium. Give 12 cheques dated ahead—one for each month of the year. For example, at age 30, on a $5,000 Double Protection policy, your cheques would be for $6.15. You get your receipt by mail each month without even having to remember that your premium is due.

This is the safe, modern, easy way to secure extra protection for your family, and financial security in your own later life.

Without obligation send the coupon today.

NORTH AMERICAN LIFE

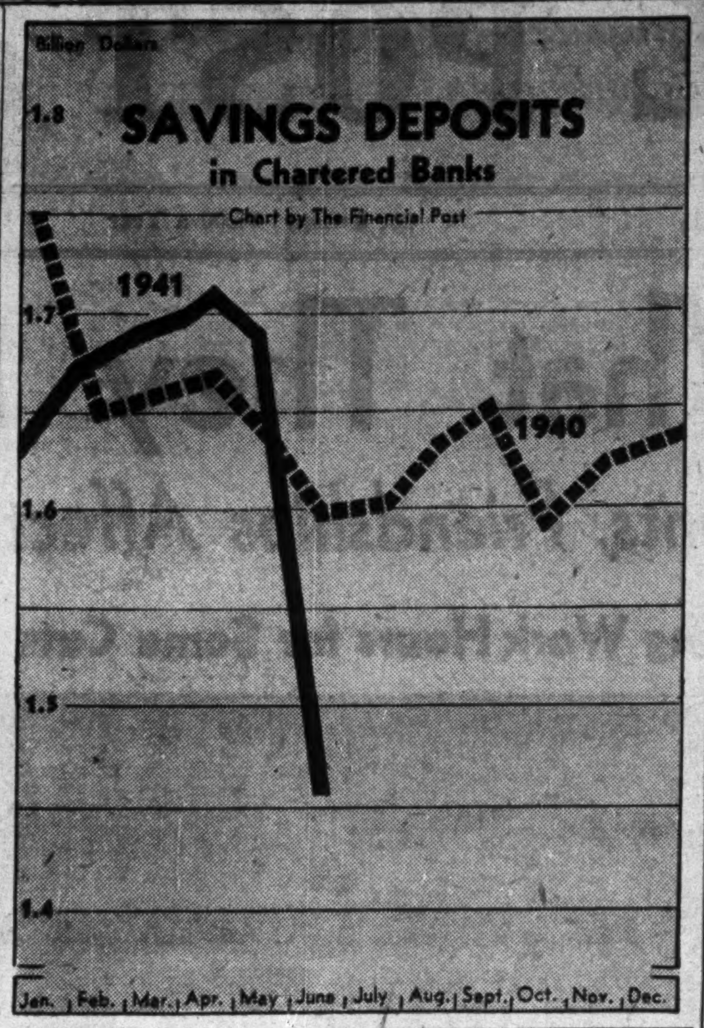
HEAD OFFICE: 112 King St. W., Toronto, Ont.

Please send me information about your special Budget Policy, together with free Pocket Memo Budget Booklet.

Name........................

Address........................ 105B

Head Office
TORONTO, CANADA



Banking

Savings Deposits Drop 13% After War Loan

All Banks Show Declines as Public Pays Subscriptions for Bonds—Recovery Expected as Government Puts Money to Work

Savings deposits of the Canadian people in the chartered banks dropped $228.2 millions in June to $1,466.9 millions, according to the regular monthly return of the chartered banks to the Minister of Finance as at June 30.

The decline is attributed by bankers to investments by depositors in the third war loan floated in May and paid for largely in June.

Compared with Jan. 31, 1940, the date of the latest return before subscriptions to the first war loan were paid for, the reduction in total savings deposits is $283.6 millions.

At Different Banks

How the deposits of the different banks were affected by the loan in June is shown in the accompanying table.

Savings Deposits in Canada 1941

Bank:	June 30	May 31	Decrease
	—Millions of Dollars—		
Montreal	379.3	437.1	57.8
Nova Scotia	134.9	159.6	24.7
Toronto	77.9	90.1	12.2
Provincial	36.0	39.2	3.2
Commerce	285.0	328.9	43.9
Royal	302.8	356.4	53.6
Dominion	69.9	80.0	10.1
Nationale	91.6	98.9	7.3
Imperial	82.9	98.3	15.4
Barclays	6.2	6.4	0.2
Total	1,466.9	1,695.1	228.2

Bankers, however, emphasize that the figures, as they stand, do not indicate exact contributions of depositors to the loan. There are other factors to be taken into consideration. For instance, some of the money withdrawn from the banks during the month was undoubtedly used for business operations, the purchase of houses, etc. Then, too, a large volume of bonds was bought on money borrowed from the banks. An increase of approximately $160 millions in current loans in Canada during the month is evidence of this. But on the whole the figures represent the effect of the loan on the deposits.

The decrease in the total savings is 13.4%. But some of the banks show a larger and some a smaller ratio. This is explained by bankers as due in part to the character of depositors in the different banks. Some banks have large numbers of wealthy depositors who could pay for large subscriptions to the loan. Others again might have many small depositors who require most of their savings for current needs and accordingly would be able to buy only small amounts of the bonds.

The present total of savings deposits, $1,466.9 millions is the lowest since October, 1935, when the figure was $1,465 millions, and almost the same as that of Jan. 31, 1928 of $1,466 millions.

First Two Loans

The first war loan was floated in January, 1940, and paid for mostly in the following February with a resulting drop of $91.5 millions. The second was floated in September and paid for mostly in October. This caused a drop in savings deposits in October of $55.4 millions.

Changes in the deposits of the different banks at the time of the first two loans and the changes at June 30 last after the third loan compared with January 31, 1940, just before the first loan was paid for are shown in the following tables:

In every case, the banks assisted investors to buy bonds by lending money.

After each of the first two loans there was a substantial recovery in deposits as the money lent to the Government was paid out for wages and materials and later returned to the banks in large proportion as savings of the people. It is expected the same results will follow the third loan.

Effect of War Loans On Bank Deposits

AFTER FIRST LOAN 1940

Bank	Feb.	Jan.	Decr.
	Millions of Dollars		
Montreal	436.7	464.4	27.7
Nova Scotia	152.2	160.2	8.0
Toronto	86.5	91.3	4.8
Provincial	40.3	41.1	0.8
Commerce	327.7	345.4	17.7
Royal	336.1	355.1	19.0
Dominion	78.8	83.0	4.2
Nationale	101.5	103.0	1.5
Imperial	92.2	98.9	6.7
Barclays	6.7	7.7	1.0
Total	1,658.9	1,750.4	91.5

AFTER SECOND LOAN 1940

Bank	Oct.	Sept.	Decr.
Montreal	419.7	434.6	14.9
Nova Scotia	148.3	154.9	6.6
Toronto	84.8	90.4	5.6
Provincial	36.5	36.7	0.2
Commerce	312.4	321.6	9.2
Royal	329.5	340.1	10.6
Dominion	74.9	76.9	2.0
Nationale	96.4	96.9	0.5
Imperial	90.9	96.4	5.5
Barclays	5.9	6.2	0.3
Total	1,599.5	1,654.9	55.4

AFTER THREE WAR LOANS

Bank	June 30, 1941	Jan. 31, 1940	Decr.
Montreal	379.3	464.4	85.1
Nova Scotia	134.9	160.2	25.3
Toronto	77.9	91.3	13.4
Provincial	36.0	41.1	5.1
Commerce	285.0	345.4	60.4
Royal	302.8	355.1	52.3
Dominion	69.9	83.0	13.1
Nationale	91.6	103.0	11.4
Imperial	82.9	98.9	16.0
Barclays	6.2	7.7	1.5
Total	1,466.9	1,750.5	283.6

NOTICE is hereby given that the Dominion Insurance Department has granted Certificates of Registry Nos. C760 to C764 both inclusive authorizing New York Reciprocal Underwriters, Individual Underwriters, American Exchange Underwriters, Affiliated Underwriters and Metropolitan Inter-Insurers to transact in Canada the business of Personal Property Insurance, in addition to the classes for which they are now already registered.

V. W. GERRISH,
Chief Agent for Canada.

July 21, 1941.

Insurance Officials To Meet in Toronto

The 24th annual meeting of the Association of Provincial Superintendents of Insurance will take place in Toronto, Sept. 15-18, it is officially announced.

Last year there was only an executive session held at Winnipeg. Reports arising out of that meeting will be dealt with at the meeting in September.

Weekly Bank Clearings

	Aug. 7 1941 $	Change Year Ago %	July 31 1941 $
Halifax	3,675,700	+16.0	3,213,995
Saint John	2,338,764	+24.1	1,825,430
Moncton	1,070,903	+22.5	898,234
Sherbrooke	1,047,069	+27.7	1,007,380
Calgary	6,388,684	+19.4	5,792,944
Quebec	5,979,326	+10.1	4,818,899
Montreal	128,675,122	+31.0	97,704,345
Ottawa	64,988,879	+36.3	30,258,154
Kingston	741,090	+12.5	636,547
Peterborough	762,527	+25.7	691,751
Toronto	114,325,799	+19.9	106,356,841
Hamilton	6,566,819	+27.9	6,123,094
Kitchener	1,192,097	+25.4	1,036,558
Brantford	995,546	+12.2	913,092
London	3,072,001	+33.9	2,227,035
Chatham	878,546	+23.2	845,507
Windsor	3,057,858	+49.2	3,296,058
Sarnia	504,035	+25.7	321,524
Sudbury	1,035,307	+12.3	1,125,076
Fort William	1,063,192	+19.3	1,067,141
Winnipeg	52,187,867	+94.0	49,934,006
Brandon	453,766	+21.0	374,067
Regina	5,551,137	+55.5	......
Moose Jaw	616,964	+52.8	351,154
Saskatoon	1,880,862	+18.3	1,472,276
Edmonton	4,998,630	+41.8	4,588,042
Lethbridge	618,763	+51.9	495,381
Medicine Hat	364,940	+64.9	336,518
N. W'minster	974,890	+45.4	957,072
Vancouver	21,220,547	+10.7	19,787,867
Victoria	2,159,230	+10.4	1,774,408

United States Fidelity & Guaranty Company TORONTO

Bank Debits Show Rise of 58%

Bank debits or payments by cheque at Canadian chartered banks in June at $4.2 billions were 58% higher than in the same month last year.

The rise was mainly due to payments by subscribers to the third war loan floated in May but paid for mostly in June. Greater activity in business was also a factor. Increases were shown in all economic areas.

Compared with May, the increase was 42%, all areas showing expansion in this comparison also.

Figures for the various clearing house centres follow:

Debits to Individual Accounts Millions of Dollars

	1941 June.	1941 May.	1940 June.
Maritimes:			
Halifax	54.0	42.1	32.6
Moncton	13.7	12.0	11.2
Saint John	27.8	21.7	17.9
Total	95.6	75.9	61.9
Quebec:			
Montreal	1,080.2	818.5	664.5
Quebec	81.4	95.5	72.4
Sherbrooke	11.9	10.0	8.3
Total	1,173.6	924.1	745.2
Ontario:			
Brantford	16.4	14.4	11.6
Chatham	16.5	8.5	11.4
Fort William	13.7	9.4	6.9
Hamilton	110.7	99.1	70.3
Kingston	11.2	8.6	7.6
Kitchener	28.8	17.7	13.4
London	65.0	39.9	37.2
Ottawa	296.1	215.8	153.3
Peterborough	12.3	9.7	7.6
St. Catharines	21.8	16.9	......
Sarnia	9.9	9.2	7.3
Sudbury	9.4	8.4	8.3
Toronto	1,357.9	925.2	873.8
Windsor	76.2	66.2	44.2
Total	2,045.8	1,449.4	1,253.0
Prairie Provinces:			
Brandon	5.6	4.6	3.1
Calgary	99.8	79.5	58.6
Edmonton	60.2	51.0	45.7
Lethbridge	6.1	5.5	4.5
Medicine Hat	4.2	3.0	2.3
Moose Jaw	8.5	10.4	6.5
Prince Albert	3.9	3.6	2.5
Regina	77.2	42.4	38.1
Saskatoon	15.0	14.1	10.9
Winnipeg	369.7	418.9	283.1
Total	650.3	633.2	455.4
British Columbia:			
New Westminster	9.0	8.8	7.3
Vancouver	215.1	143.4	126.0
Victoria	51.1	30.9	32.6
Total	275.2	183.2	165.9
Total for Canada	4,240.6	3,265.8	2,681.6

Note Circulation Up $7 Millions

An increase of almost $7 millions in note circulation is shown in the statement of the Bank of Canada for the week ended Aug. 6.

In addition to the larger number of men in the armed services being paid in cash, the vacation season is an important factor, as many people carry more money in their pockets than when at home. This practice has been accentuated in recent weeks by the prohibition by the oil controller of the use of credit cards by motorists.

On the credit side the most important change was an increase of almost $7 millions in miscellaneous assets including cheques on other banks not year cleared.

	Aug. 6 1941 $	July 30 1941 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	410,344,993	403,473,274
Rest fund	3,722,910	3,722,910
Depos.: Dominion	24,780,755	24,912,759
Banks	216,599,284	216,023,339
Other	10,251,437	6,965,511
Total deposits	251,631,476	247,901,609
All other liabs.	7,961,601	11,719,612
Total liabs.	678,660,980	671,817,405
Assets		
In sterling & U. S.	471,509	539,559
Subsid. coin	579,204	619,786
Advances	2,500,000	2,500,000
Investments:		
Dom. govt. short	509,381,732	511,654,621
Other Dom. govt.	139,090,902	137,955,646
Total invest.	648,472,634	649,610,267
Premises	1,812,764	1,815,105
All other assets	24,824,869	16,732,688
	678,660,980	671,817,405

Life Companies Urged To Regulate Agents

Desirability of life insurance companies in Canada initiating reforms in the agency field, without government intervention, was urged by E. B. MacLatchy, superintendent of insurance for New Brunswick, in an address to the Life Underwriters Association of New Brunswick recently.

The provincial superintendents of insurance, through their association, he stated, are now trying to formulate a uniform agency policy for Canada. They are working in co-operation with the companies, he explained, and as yet there was no disposition for the government departments in the different provinces to supervise and regulate arbitrarily the agency end of the insurance business.

Tremendous Turnover

Need of reform was indicated, according to Mr. MacLatchy, by the tremendous turnover in agency forces across Canada as well as in the United States.

Some of the unsatisfactory conditions facing the man who wanted to make life insurance underwriting his life work he indicated were:

Competition from unqualified persons, with resulting low incomes to the average agent.

Unsatisfactory basis of adjusting renewal commissions in some instances.

Servicing of existing policies without direct remuneration.

Three methods of bringing improvement he noted were:

1. Handling the whole agency problem as a company matter.
2. Regulation of the agency branch of the companies by the government.
3. A combination of company and government regulation.

The last method, he stated, was being tried out at present. The companies, he explained, have made attempts to regulate agency matters among themselves, with all the major companies entering into so-called agency agreements. If these agreements were carried out there would undoubtedly be a big improvement in the agency situation, he felt.

Not Real Agreements

But one difficulty he noted was that these so-called agreements are not agreements at all but informal understandings and not binding except in a moral sense. Most of the companies, he admitted, were making a conscientious effort to live up to the spirit of the agreements, but the small minority, who did not, were regarded as a menace to the agency business as a whole. He indicated that suggestions had been made by some companies for the provincial governments to step in and force compliance by the others.

The governments, however, he said, believing the ideal thing was for the companies to adopt a uniform code and abide by it, were unwilling to step in except as a last resort.

Insurance

Liability Contracts Cover Businessman

Give Protection Against Claims for Injuries Sustained by Public Around Store or Factory — Legal Defense Included

Increasing activity in trade and industry is resulting in a more lively interest in public liability insurance. More people are visiting stores and warehouses, more plants and warehouses are operating or in use. The consequence is there are many more chances of accidents happening than was the case say two years ago.

It is a fundamental principle of the common law that a man is liable for any action or failure to act which may cause injury to another. The employer is also held responsible for the consequences of acts of omission or commission by his servant or employee.

Two Types of Liability

There are two types of liability to which businessmen are subject. One is his liability for injuries sustained by his employees while they are going about his business. This type of accident is called an industrial accident and is taken care of generally by workmen's compensation laws which provide protection for both employer and employee. If there is not legal provision by the government in a certain jurisdiction, there is protection available from the insurance companies in the form of employer's liability insurance.

The second type of liability is for all accidents other than those to which an employee is subject while on his employer's business.

These have been classed as public accidents. Thus if a customer going through a store trips over a loose floor board it would be a public accident.

It is with this type of accident and this type of liability known as public liability that this article is concerned.

Various Hazards

The number of hazards of this kind to which the businessman or business firm is subject is almost infinite. A banana skin on the floor, a box in a passage way, a broken grate in the sidewalk, or an unprotected stairway all may result in somebody being injured with the probability that a claim for damages will follow.

The public, in recent years, has become thoroughly conscious of the possibility of collecting damages in such cases. Consequently claims are very common. When a case comes to trial juries often are inclined to give the plaintiff the benefit of the doubt.

Even if the defendant is acquitted of all fault, there may be considerable expense entailed in proving his innocence.

The public liability policy takes care of all such expenses.

Coverage Provided

Normally it provides for:

1. Legal defense of the insured against all claims for damages that may be brought for injuries sustained by any person.
2. Payment of all damages imposed on the insured by law because of bodily injury or death due to some act of omission or commission of the insured.
3. Payment of all legal costs incurred by the insured for investigation and defense.
4. Payment of medical or surgical expenses incurred in providing such attention for an injured person as may be necessary at the time of an accident.

Property Damage

Property damage insurance is usually combined with the public liability cover. This protects the insured against claims that may be made for damage to property.

Doctors and dentists are also protected under a policy of this kind against claims that may be made against them for negligence, carelessness or incompetence. One instance of the claims of this type that may be brought was that of a dentist in a Canadian city who pulled all the upper set of a woman's teeth when it was the lower she wanted out. She sued the dentist and he had to pay.

The average public liability policy carries protection up to $5,000 for injury or death of any one person and a total of $10,000 for any one accident. The average limit for property damage is $1,000 for one accident.

Western Canada Underwriters Elect Officers

The Western Canada Insurance Underwriters Association has elected officers for the coming year as follows:

E. P. WITHROW, Dominion of Canada General Insurance, president.

R. P. SIMPSON, Sun Insurance Office, vice-president fire branch.

C. W. BOLTON, Home Insurance, vice-president automobile branch.

Executive Committee

P. A. CODERE, St. Paul Fire and Marine Insurance Co.

J. A. DOWLER, Canadian Fire.

N. J. BLACK, Commercial Union.

J. V. NUTTER, Fireman's Fund.

New Licenses

The Dominion Department of Insurance has licensed the following companies to write personal property insurance in addition to those lines for which they are already licensed:

Metropolitan Inter-Insurers.
Affiliated Underwriters.
New York Reciprocal Underwriters.
American Exchange Underwriters.
Individual Underwriters.

Sun Life Reports Gains In New Business

Sun Life Assurance Co. of Canada reports new ordinary business in Canadian territory in the first six months of the current year increased 20% over the same period of 1940.

Increases of 10% are reported for United States territory and in Great Britain.

The increase in new ordinary business is attributed by the company to realization of the greater value of insurance during wartime. The same trend was evident in the company's business during 1914-18.

The WAWANESA
Mutual Insurance Company
Organized in 1896

Assets $2,894,436.70
Surplus 1,513,855.65
Dominion Gov't Deposit 1,041,353.86

Write for Financial Statement

Head Office: Wawanesa, Man. Eastern Office: Toronto, Ont.

Branches at Vancouver, Edmonton, Saskatoon, Winnipeg, Montreal and Moncton

2,000 Agents Across Canada

$1,46...
DIVIDENDS RETURNED TO POLICYHOLDERS IN 1940

. . . a convincing demonstration of how a mutual fire insurance company, operated for the benefit of its policyholders, can effect definite, clear-cut savings in their insurance costs.

These benefits are available to YOU today. Enquire now—local agents and branch offices across Canada.

NORTHWESTERN
MUTUAL FIRE ASSOCIATION
CANADIAN HEAD OFFICE • VANCOUVER

HOME ASSURANCE COMPANY OF CANADA
Head Office:
Lancaster Bldg., Calgary
FIRE, AUTOMOBILE, HEALTH & ACCIDENT INSURANCE
Application for Agencies Invited.

The Shield of Protection

Since 1884
FIRE and WINDSTORM INSURANCE
The PORTAGE LA PRAIRIE MUTUAL INSURANCE CO.
PORTAGE LA PRAIRIE, MAN.
WINNIPEG, REGINA, EDMONTON

BEAUMARIS hotel
LAKE MUSKOKA ONTARIO, CANADA
Superb cuisine. Dancing, golf, tennis, all sports. 120 rooms—modern. Beach for children. Moderate rates. Selected clientele. Write for booklet. W. H. Brennan, Mgr.
Muskoka's Resort Hotel of Distinction

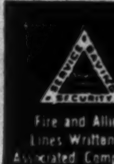
To The Travelling Public:
HOTEL LONDON
London, Ontario
Rates for Rooms as Follows:—
Single room without bath, $2.50; running water and toilet.
Single room with shower, $2.75.
Single room with bath, $3.00.
Single room with tub and shower combination, $3.50.
Double room without bath, $4.00; running water and toilet.
Double room with bath, $4.50.
Double room with tub and shower combination, $5.00.
Twin bedrooms with tub and shower combination, $5.50.
Soliciting your appreciated patronage,
H. F. STRUCKETT, Manager

HOWEVER YOU TRAVEL . . .
CARRY YOUR MONEY SAFELY

Canadian Pacific Express TRAVELLERS CHEQUES

THE PURPOSE OF THIS ADVERTISEMENT IS—

to invite you to do your Banking with this Bank.
You will find the Managers and Staff at our Branches *throughout Canada and elsewhere* always ready to give courteous and efficient attention to your banking needs.
All Banking Services are available to you, and your active use of them will be welcomed.
SAVE LEND TO CANADA
The BANK of NOVA SCOTIA
EST'D. 1832—OVER A CENTURY OF BANKING EXPERIENCE

Automobile and General Casualty Insurance

Fire and Allied Lines Written in Associated Companies
AGENCY INQUIRIES INVITED
LUMBERMENS MUTUAL Casualty Company
VANLEY SMITH, Chief Agent
CONCOURSE BUILDING TORONTO

BRITISH AMERICA ASSURANCE COMPANY
HEAD OFFICE TORONTO
ESTABLISHED 1833
FIRE • AUTOMOBILE
AVIATION • CASUALTY
MARINE

Commenced Business 1906

MONARCH LIFE ASSURANCE COMPANY
A PROGRESSIVE CANADIAN COMPANY

IN MONTREAL...
THE Windsor
ON DOMINION SQUARE

The War Opens the Door TO NEW TRADE OPPORTUNITIES IN THE CARIBBEAN

THE fact that the war is forcing many countries to seek new sources of supply should act as an incentive for aggressive action on the part of Canadian exporters.

The non-British West Indies market is well worthy of consideration, as pointed out in a recent report from the Canadian Trade Commissioner at Havana, which states in part:

"Cuba, Haiti, Dominican Republic and Porto Rico offer opportunities not only to increase sales of those Canadian products which have been shipped here for decades, but to introduce new lines, previously imported from Europe and Asia, in which Canadian exporters have until recently been unable to compete.

"All these countries wish to buy nearer home where delivery can be assured.

"All of them pay in United States dollars.

"None of them has any foreign exchange restrictions.

"Canadian goods have no customs tariff handicap in Haiti or the Dominican Republic, but Porto Rico is United States territory, and Cuba gives United States goods substantial preferential tariff discounts.

"All exporters interested in initiating or expanding sales in these Caribbean markets should write to the Director, Commercial Intelligence Service, Department of Trade and Commerce, Ottawa, or the Canadian Government Trade Commissioner, Apartado 1945, Havana, Cuba."

For Information write to the
CANADIAN TRADE COMMISSIONER
APARTADO 1945
HAVANA CUBA

TC 436

DEPARTMENT OF TRADE AND COMMERCE
Ottawa

C.P.R. Now Runs Five Airlines

Operations Being Merged With Parent Firm

From Our Own Correspondent

MONTREAL. — Operations and organization of the western air lines acquired by the Canadian Pacific Railway are being merged with that of the parent company.

In the current issue of the Canadian Pacific Staff Bulletin particulars are given of the company's interest in airlines.

An important unit in the new air services controlled by the C. P. R. is United Air Service Ltd. of Edmonton.

Co-ordinate Services

Last June services of Mackenzie Air Service Ltd. were co-ordinated with certain services of Canadian Airways Ltd. in the Mackenzie River area between Edmonton and the Arctic Ocean and on the Edmonton to Prince Albert run and placed under the operation of the United Air Service Ltd.

The co-ordinated services are operated under the general direction of an advisory board composed of representatives of Canadian Airways, Mackenzie Air Service and the C. P. R.

With 13 planes in operation or on hand, United Air Service operated for 603 flying hours during June, covering 90,000 miles during that period.

Starratt Airways and Transportation Ltd. of Hudson, Ontario, now part of the C. P. R.'s general transportation system, handled 29,739 lb. of freight during the week period from July 12 to July 18, and in the same time carried 109 passengers to and from the mining regions of northwestern Ontario and northern Manitoba.

In water operations the company moved approximately 247 tons of freight during the same period over the route from Hudson to Gold Mines and Red Lake by boat and scow. Over the route from Hudson via Root Portage to Dog Hold Bay approximately 36 tons of freight were moved.

Ginger Coote Link

Ginger Coote Airways Ltd., Vancouver, another link in the company's new air services, is operating five seaplanes, one of which is held as an emergency standby.

Traffic handled by this unit from January 1 to July 15 continued to increase on schedule routes, in spite of the fact Government flying, such as fisheries, forest patrol and aerial photography, was largely discontinued due to wartime economy.

Yukon Southern Traffic

Yukon Southern Air Transport Ltd. of Edmonton is one of the existing air services recently taken over by the company.

Tourist traffic was expected by this company to take up a normal slack in the sub-Arctic air operations which have always existed during July and August, but up to July 15 passenger traffic was light.

Thrift Stores Sales Higher

From Our Own Correspondent

MONTREAL.—Both dollar and tonnage sales of Thrift Stores Ltd. in the current year are running higher than last year, The Financial Post is informed.

This has occurred, despite a weeding out of less satisfactory stores in the company's chain of Thrift and Stop and Shop stores. In the past year or so number of stores has been cut to 81 from 88, of which 75 are in the Montreal area and 6 in Ottawa.

Subject to unforeseen developments, the company is looking for a reasonable profit in the current year.

In 1939 the company disposed of its Stop & Shop stores in the Toronto area to Dominion Stores. Because of these moves, and other operating economies the company reported net profit of $51,482 in the year ended March 29, 1941, compared with net profit of $57,171 in the preceding year. In the preceding five years net losses were shown.

Retires Note Payable

Financial position of the company has also been strengthened. A $30,000 note payable to Stop & Shop has been retired since the end of the past fiscal year.

Net working capital increased slightly to $169,714, and a chain store tax liability to Montreal and Verdun, shown in the balance sheet at $105,693, has been cleared up. The Verdun claim, amounting to $4,600, was cleaned up since the end of the fiscal year, while the Montreal claim was satisfied in the past year.

During the past year, Stop & Shop, which controls Thrift Stores, increased its holding of the first preference to 7,728 shares from 6,012. All the second preference and 50% of the ordinary shares are held by Stop & Shop.

Aberhart Sees "Union Now" Plot of International Ring

From Our Own Correspondent

EDMONTON. — Premier Aberhart's almost continuous fight against what he terms centralization of power reached far beyond provincial matters when he recently issued a statement condemning the "Union Now" movement. His attack was contained in the last of a series of statements he has issued dealing with monetary reform.

He branded trends toward centralization of power as moves by "international money power" to impose financial restrictions "and regimentation on all nations." He mentioned what he termed his "privilege to oppose as vigorously as I could the centralization of power in Canada under the recommendations of the Sirois report."

And he added: "Recently a more sinister scheme has been put forward in the British Empire and the U. S., which is an extremely subtle idea and many well-meaning people are being misled into supporting it.

"Briefly, the suggestion is that the British Empire and the United States should unite in a federal union and later other democratic countries should be invited to join. The avowed purpose of the scheme is to create such a powerful union of democracies that no combination of nations would dare to start another war.

"By its control over finance, it would control all economic activity and it could manipulate the money system to impose any conditions it wished on the people. Moreover, it would have the armed forces to compel obedience to its will."

Dominion Gas Would End Chicago Listing

Dominion Gas & Electric Co. has applied to the Securities and Exchange Commission for permission to withdraw its 6½% collateral trust bonds from listing and registration on the Chicago Stock Exchange. The company's application states that there have been no sales of these bonds on that exchange since May 20, 1931. Aug. 22, 1941, has been set as the date for a hearing in New York.

Sherwin Paints Net Maintained

From Our Own Correspondent

MONTREAL.—Sherwin - Williams Co. of Canada's volume of business for the current year is reported to be sharply higher than a year ago, while net profit for the fiscal year ended August 31 next is expected to compare favorably with that of last year. Advance in cost and higher taxation have not been altogether compensated by higher prices for the company's products, with the result that net profits do not reflect the advance in sales.

Industrial and marine divisions are reported to show a particularly good gain with important paint demands still to come to the company from the growing shipbuilding programme in this country.

During the 1940 fiscal year the company reported net income of $538,921 after depreciation and other charges, equal, after dividends on the preferred, to $1.48 on the common stock.

No dividends have been paid on the common of late years as there are arrears on the preferred. The latter have been reduced to $1.75 as at August 1 last and indications are that all arrears will be eliminated with the next quarterly payment.

THE BEST YOU CAN BUY FOR YOUR PIPE... TRY IT.
POUCHES AND PACKAGES... 25c
HERBERT TAREYTON SMOKING MIXTURE
T-241
THERE'S SOMETHING ABOUT IT YOU'LL LIKE

J. P. LANGLEY & CO.
C. P. ROBERTS, F.C.A.
W. F. HOUSTON, A.C.A.
CHARTERED ACCOUNTANTS
TORONTO KIRKLAND LAKE

Your Investments

What We Do:

1. Give information on Canadian securities to Financial Post subscribers.
2. Publish anonymously letters of general interest.
3. Supply facts rather than opinions.

What We Don't Do:

1. Answer enquiries of non-subscribers.
2. Answer enquiries on foreign securities.
3. Reply by telephone or telegraph.
4. Select list of securities; express opinions; or make forecasts.

Three-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed. Address letters to The Financial Post, 481 University Ave., Toronto 2.

Imperial Tobacco

As a subscriber of The Financial Post, it would be appreciated if you would let me have your views on the ordinary shares of Imperial Tobacco Co. of Canada.

Imperial Tobacco Co. of Canada's sales this year are on a higher scale than a year ago, judged by the number of cigarettes and cigars released for consumption by the Excise Department. This company controls over 75% of the tobacco business in Canada and it has a long and favorable record of earnings. The common stock is highly regarded as an investment medium.

In the last four years earnings on the common have ranged from 61 to 64 cents a share compared with the par value of $5. This has enabled the company to pay regular quarterly dividends of 10 cents, plus a final payment of 22½ cents a share at the end of each year.

In 1940 net earnings of 61 cents a share were slightly less than the amount paid out in dividends. In view of the strong liquid position on the contrary, this had no material effect upon finances.

In the current year taxes will be considerably higher and it is difficult at this time to say whether or not the increase in gross earnings will be sufficient to take care of tax increase. A reduction in the final payment is possible, but in any event it is not likely the company will increase the final payment.

Canada Bread

What is the position of Canada Bread first preferred shares? Does recent end of the wheat processing tax help?

Canada Bread Co. has just issued its report for the year ending June 30, 1941, which shows that earnings available for the first preferred shares were equivalent to $11.60 a share compared with $17.29 a share. This indicates that, in spite of the sharp drop of net profits, the $5 a share dividend was covered more than two times.

With the retirement on August 1 of the remainder of the company's 6% first mortgage bonds, the first preferred becomes the senior obligation of the company, subject to whatever comparatively small loans may have been necessary to pay off the bond issue.

It appears that Canada Bread has been increasing its share of the total bread sales in Canada, probably somewhat at the expense of some of the smaller bakeries. Last year the company's unit profits were equivalent to 1/7 cent a loaf compared with ¼ cent for 1940 and ½ cent for 1939.

An important degree of improvement in this narrowing profit margin per unit will be effected by a recent end of the wheat processing tax which meant approximately the equivalent of 1/3 cent a loaf of bread. Also the Government has just taken steps to eliminate sliced bread and to economize on the type of wrappers used. All of these measures will reduce bakers' costs and will make it apparently unnecessary to increase bread prices, while at the same time giving the bakers a more adequate margin. Canada Bread Co. is engaged primarily in a consumer industry, the demand for whose products is relatively stable. It is not greatly affected by war demand, although feeling the higher cost which the war has made necessary.

W. E. N. BELL
Taxation & Insurance Consultant
505 Metropolitan Bldg., Toronto
AD. 5457

SYSTEMATIC SAVING BEST
Determine the amount of money you intend to save, and budget your controllable expenses accordingly. We'll help you: Open a Savings Account with us. Your money will be available at any time it is required. When you subscribe to a war purpose or a government loan, issue your cheque and keep within your budget.
CANADA PERMANENT Mortgage Corporation
Head Office, 320 Bay St., Toronto
Assets Exceed $47,000,000.

Imperial Oil

Has Imperial Oil Ltd. discontinued payment of dividends? What is the outlook for this company?

Imperial Oil Ltd. continues to pay dividends on its common shares and has given no indication of any intention of discontinuing such payments. The current rate is 50 cents a share annually, paid in two payments of 25 cents each. This represents a considerable reduction from dividends paid in former years when extras totalling 75 cents a share were paid for a period. In reality, this payment of high dividends represented in part a return of capital to shareholders as the company considered itself unable to employ it profitably.

This policy is now at an end, having been hastened by action of the company's principal subsidiary, International Petroleum Co., in reducing its own dividends. The current payments of Imperial Oil are more nearly in a line with prevailing earnings which were equivalent to 65 cents a share on the common in 1940.

For the first half of this year gasoline sales in Canada were up about 20% over the country as a whole. Coupled with reduced supplies because of diversion of tankers to United Kingdom service, this developed into a shortage and steps have been taken to reduce gasoline consumption through restrictions on the selling hours. There is a possibility that rationing will become effective if the current voluntary curtailment is not successful. Such action, of course, can hardly be considered favorable to the oil companies but it should be remembered that these companies built their greatest prosperity upon peacetime operations and it is doubtful if their sales would suffer were the war to end.

Bell Telephone

Would you be kind enough to let me know your views as to the outlook and position of the Bell Telephone Co. of Canada? I am interested in the common shares.

Common stock of the Bell Telephone Co. of Canada is regarded as a sound issue. The company is well managed and it has had an excellent record of operations in earnings since its establishment in 1880.

For years, the company paid a regular dividend of 8% on the common, but the rate was reduced to as low as 6% during the depression years, but was restored to the full 8% on July 15, 1937.

Last year the company earned $8.15 a share on its capital stock after a provision for greatly increased income taxes.

For the current year, operations continue to show expansion, though it is a little difficult at this time to say whether or not the increase in gross will offset a further advance in taxation. The surplus after dividends for 1940 was not overly great and it is possible the company may have difficulty in showing any increase in earnings this year despite the larger volume of business.

Blue Top Brewing

Have you any information on Blue Top Brewing Co., particularly with reference to the effect of war on its earnings?

Shares of Blue Top Brewing Co. were listed on the Toronto Stock Exchange on July 2. At its Kitchener brewery 130 persons are employed at present.

Last year the company earned $6.37 a share on its class A accumulative stock compared with $11.49 a share for 1939. This class A stock carries a regular 60 cent dividend which is being paid steadily. Substantial amounts were spent last year on improved fermenting and storage facilities. The capital structure was revised in 1939. It appears that consumption of beers, ales and porters has been well maintained in recent months and the current higher taxes being imposed in Canada do not appear to have had any marked influence on the sales. Blue Top Brewing is one of the smaller independent brewers, operating in Ontario and with a record over recent years of a good improvement in sales.

Power Corp.

As a subscriber of The Financial Post would you kindly let me have your views on the outlook for Power Corp. of Canada?

Power Corp. of Canada's outlook is somewhat indefinite. Most of the company's money is tied up in public utility securities, particularly those of Southern Canada Power, Canada Northern Power, Winnipeg Electric, British Columbia Power, Foreign Power Securities, etc. The revenues of the company are dependent upon the income from its investment in these and other enterprises. Prospects are that, at least for the duration, public utility dividends will not increase, so that Power Corp. of Canada's revenues are not likely to show any appreciable gain. Just now the outlook for a holding company of this type is somewhat indeterminate and all that one can say is that no material change is expected in the position of the company in the immediate future.

Ogilvie Flour

I am interested in the preferred shares of Ogilvie Flour Mills and would like to have a report from you on that company.

Earnings of Ogilvie Flour Mills Co. for the year ending Aug. 31, 1941, should compare favorably with the preceding 12 months when a net profit of $1.28 a share was reported on the common stock. This contrasted with dividend requirements of $1 a share. The company has always been able to show its dividends well earned and there is little doubt as to the ability of the company to continue paying the present rate.

Especially is this the case with the preferred stock, on which the company earned $45.47 a share last year or nearly six and a half times the amount required for dividends. The preferred stock is highly rated, being rated as one of the "blue chips" among Canadian investment securities.

Great Lakes Paper

What is current quotation on Great Lakes Paper Co. bonds? Has this company paid interest regularly?

Current quotations on the 5% first mortgage bonds of Great Lakes Paper Co. are approximately 95 to 98. Great Lakes Paper has paid interest on these bonds since they were issued as part of the reorganization plan of 1936. Interest due for the first year was postponed with the permission of bondholders but has since been paid in full and the company appears now to be in a position to keep up regular payments without any difficulty. Last year interest was earned 4.06 times after depreciation and all other charges. For the current year earnings will likely be approximately as good. Great Lakes Paper Co. operates one newsprint mill at Fort William, Ont., which ranks as one of the more modern and better equipped mills in Canada. It is favorably situated for water transport to its markets and ranks as one of the more efficient plants in the newsprint business.

Hayes Steel At Capacity

Plant Extensions Being Made — Booked Solid for Months

Operations of Hayes Steel Products Ltd. are at 100% capacity in all lines, according to C. N. Gammage, vice-president and general manager. The company is booked solid for several months ahead.

Substantial additions to buildings and equipment have been made and at present a new forge building and addition to the machine shop are in course of construction. The company's employees now number over 1,000 and all its lines are operating at substantial increases over last year.

Fiscal year of Hayes Steel ended July 31, last, but no word is available as to earnings. In the seven months ended July 31, 1940, the company earned $1.04 a share on its common.

The Long Established Firm of

O'Keefe's

COMMERCIAL FIRMS are rather like nations. There are some who seek a short cut to success and greatness. If they have something new and better to offer they succeed because the people wish it, but there are others who, with nothing more than overbearing aggressiveness, seek to dominate and take away from those who have built patiently and with courageous tenacity and industry through the years.

It takes courage and patience, tolerance, orderliness and prudent management through many years to build a happy and successful nation. It takes no less to make a commercial firm successful and happy.

Few people realize the qualities needed in the men responsible for the well-being of a company and its employees. So much is expected of them from so many quarters. The responsibilities grow greater every year and, above all, the product must be as fine as money, experience and hard work can make it—it must be second to none to preserve the long established reputation of the Company.

In buying from O'Keefe's, you can be sure of getting the best that money can buy. Finer beverages are not, and cannot, be made. If finer products could be made, O'Keefe's would make them to maintain a reputation for quality that has lasted over ninety years.

O'Keefe's is successful and a leader in its field not because it has discovered any magical short cut but because it has served the public well and abided constantly by the principles of sound management.

O'KEEFE'S BEVERAGES LIMITED
Manufacturers of Stone Ginger Beer, Ginger Ale, etc.

1846

OK. 1

Toronto and Montreal Exchanges

THE WEEK'S QUOTATIONS

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING AUGUST 11

Range 1941 High	Low	Div R'te $	Aug 11 Y'ld %		Sales	Last Aug. 4	Week end. Aug. 11 H	L	Cl'se
				A					
.90	.50	.	...	Abitibi	850	.75	.85	.70	.70
8	4	.	...	Do. pref. 6%	1290	6½	6½	6	6½
12¾	8	.	...	Do. pref. 7%	25	10	10	10	10
3	1	.	...	Acme Glove	....	(1½ bid — asked)			
60	50	6.50	13	Do. pref.	10	50	50	50	50
13	11½	80+20c	8	Agnew Surp.	25	12¾	13	13	13
108	105	7	6.7	Do. pref.	....	(105½ bid — asked)			
1.50	.75	.	...	Alta. Pac. Gr.	175	1.00	1.00	1.00	1.00
30	24½	.	...	Do. pref.	15	26	24¾	24¾	24¾
10	7	.	...	Algoma Steel	1346	9	9½	8	9½
97½	84½	5	5.9	Do. pref.	....	(86 bid — asked)			
115	98	8	7.8	Aluminium	170	103	104	102½	102½
120	117	6	5.1	Do. pref.	....	115 bid 118 asked			
7½	5½	25c	...	Amal. Electric	....	(5½ bid — asked)			
37	37	60c	1.6	Amer. Cyn. B.	....	(53 bid — asked)			
46	44	2.75	6.2	Ang. Can. Tel. p	....	(— bid 47 asked)			
19½	14¾	60+60c	6½	Asbestos	465	18	18½	18	18
17½	14½	1	5.9	Assoc. Brew.	55	17	17½	17	17
110½	108½	7	6.4	Do. pref.	....	110½ bid 112 asked			
*2	2	.	...	Assoc. T. & T.A.	....	(— bid — asked)			
‡24	24	48c	..	Do. pref.	....	(— bid 24 asked)			
§103	101	5.50	5.3	Ault & Wiborg	....	(98¾ bid — asked)			
				B					
147	140	8	5.5	Bk. Can. Nat.	2	140	143	143	143
195	171	8	4.4	Bk. Montreal	36	182	182	182	182
285	267	12	4.4	Bk. N. Scotia	....	270 bid 280 asked			
250	240	10	4	Bk. Toronto	5	242	245	245	245
*5	4½	.	...	Barcelona	....	(— bid — asked)			
1.25	.35	.	...	Barker's Bread	....	(35 bid — asked)			
22	16	2.50	14.9	Do. pref.	20	16¾	17	16¾	16¾
13	10	1	8.3	Bathurst Pr.	390	12¾	12½	12½	12½
2½	1	.	...	Do. (B)	150	2	2½	2	2
2½	2	.	...	Beath & Sons	....	(2½ bid 3½ asked)			
8	4½	.	...	Beatty Bros.	40	5	7	6¾	7
102¾	101	6	5.8	Do. pref.	10	102	101	101	101
90	88	7	7.8	Do. 2nd pref.	....	(101 bid 102 asked)			
10½	6½	.	...	Beauharnois	120	9	9½	9	9
80	80	4	5	Belding Cort.	....	(— bid 90 asked)			
128	124	7	5.6	Do. pref.	....	(124 bid — asked)			
160½	137	8	5.5	Bell Telephone	380	145½	147	145½	146½
6½	5	30c	4.8	Bertram & Sons	....	(6 bid — asked)			
8¾	7½	60c	8	Biltmore Hats	120	7½	7½	7	7
6	5	.	...	Blue Ribbon	....	(— bid 5½ asked)			
37½	30	2.50	8.3	Do. pref.	131	34	34	30	30
10	10	60c	6	Blue Top Br. A	....	(9 bid 11 asked)			
7	7	.	...	Do. (B)	....	(6¾ bid — asked)			
22	20	1.30	5.9	Brant. Cord. pf.	....	(20¾ bid 23½ asked)			
8½	5	.	...	Brazilian Tr.	1600	8	8	7½	7½
5½	2½	50+10c	..	Brew. & Distil.	245	4½	4½	4	4
6½	6½	30c	4.6	Bright, T. G.	....	(6½ bid — asked)			
90	90	6	6.7	Do. pref.	....	(90 bid — asked)			
18¾	15	1	5.8	Brit. Amer. Oil	2231	16¾	17	16½	16½
12¾	9¾	.	...	B. C. Packers	14	10	11	10	11
26½	22½	2	...	B. C. Power A.	540	24½	24½	23½	23½
1.75	1.00	.	...	Do. (B)	....	1.35 bid 3.25 asked			
6	4½	.	...	Bruck S. Mills	30	6	5½	5½	5½
15¾	13½	70+10c	5½	Building Prod.	455	14½	14½	14	14
10¾	7¾	60c	6.8	Burlington St'l	....	(8¾ bid 9¾ asked)			
				C					
§70	70	.	...	Calgary Power	....	(— bid — asked)			
102½	98¾	6	6	Do. pref.	3	100	100	100	100
3	1½	.	...	Canada Bread	155	2	3	3	3
100	95	5	5	Do. pref.	20	100	100	100	100
41	35	2.50	6.2	Do. pref. B.	....	(42 bid 50 asked)			
4¾	3¾	40c	8.9	Canada Bud	50	4½	4½	4½	4½
7	4½	.	...	Canada Cement	1055	5	5½	5½	5½
100	89¾	5	5.1	Do. pref.	50	96	96½	95¾	96½
5¾	5¾	10c	...	Can. Cr. Stone.	....	(— bid 5 asked)			
105½	102¾	5	4.8	Canada Cycle, p	5	105	104	104	104
27	20¾	1.50	6.4	C. & D. Sugar.	350	23½	23½	23¾	23½
18	15	1.50	8.3	Can. Forg. (A)	....	(16 bid 18½ asked)			
18	15½	‡1.50	..	Do. (B)	....	(16 bid — asked)			
§40	40	‡4.50	..	Can. Iron	....	(35 bid — asked)			
72	70	‡3	..	Do. pref.	....	(73 bid — asked)			
§390	390	20	5.1	Canada Life	....	(380 bid — asked)			
39	32	2+50c	7.6	Can. Malting	220	33	33	32½	33
11	5	1	...	Can. Nor. Pr.	435	5	5½	5½	5½
99	85	7	8	Do. pref.	175	88	88	88	87
87½	74	4	4.9	Can. Packers	9	82	81	80	81
136	120	8	6.4	Can. Perman.	7	125	125	125	125
9	8	50c	...	Can. Starch	....	(8 bid — asked)			
108	108	7	6.5	Do. pref.	....	(108 bid — asked)			
5½	2½	.	...	Can. Steamsh's.	1716	4½	4¾	4	4
23	16	2.50	10.6	Do. pref.	1508	22½	23¾	22½	23½
8	6½	40c	6.1	Can. Vinegars	50	6½	6½	6½	6½
61	50	4	7.6	Can. W. Cable	....	(52 bid 57½ asked)			

[illegible]

Mining Stocks

Week Ending Aug. 11

[illegible]

Oil Stocks

[illegible]

Vancouver Stocks

[illegible]

Oil Quotations

Par Val.	Range 1941 High	Low	Company	Sales	Close Aug. 4	High for week	Low for week	Close Aug. 11
No	.07	.04	Brit. Dominion	......	(.04 May 29)			
No	.07	.05½	Brown Oil	......	(.... bid .... asked)			
No	1.50	1.01	Calgary & Ed.	1,120	1.35	1.43	1.30	1.30
1	.26	.12	Calmont	2,000	.20	.20	.20	.20
No	.28	.18	Commoil	......	(.22 bid .28 asked)			
No	.24	.19	Commonwealth	......	(.23 bid .27 asked)			
No	.30	.20	Dalhousie	......	(.25 bid .... asked)			
No	.16	.13½	Davies Pete	300	.14	.16	.16	.16
No	.04	.02	East Crest	......	(.... bid .... asked)			
No	.19	.11	Extension	12,950	.19	.19	.18	.19
No	.36½	.21	Federated Petroleum	400	.22½	.21	.21	.21
No	.65	.41	Foothills	202	.41	.65	.60	.65
No	.15	.07	High Sarcee	......	(.08½ bid .... asked)			
No	2.52	1.50	Home Oil	4,800	2.18	2.39	2.18	2.29
No	.01½	.01	Madison	......	(.... bid .01 asked)			
No	.02	.01	Marjon Oil	100	.01½	.02	.02	.02
No	.07	.04	McD. Segur Ex.	500	.05½	.05	.05	.05
No	.05	.02	Mercury	......	(.03½ bid .... asked)			
No	.05½	.04	Mill City Pete	......	(.04 bid .... asked)			
1	.19	.12	Model	800	.16	.16	.15	.16
25c.	.05½	.04½	National Pete	......	(.04 bid .... asked)			
1	.05	.04	Nordon	......	(.... bid .... asked)			
No	.75	.40	Okalta	400	.50	.60	.55½	.60
No	.04	.02	Pacalta Oil	......	(.02 May 30)			
1	.26	.18	Pacific Petroleums	1,340	.24	.25	.20	.25
No	.15	.05½	Royal Canadian	4,000	.06	.06	.05½	.05½
No	.10½	.06	Royal Crest	......	(.... bid .... asked)			
No	25.00	17.12	Royalite	108	22.00	25.00	22.50	25.00
No	.01½	.01½	South End	......	(.01½ bid .... asked)			
No	.25	.10	Southwest Pete	......	(.15 bid .... asked)			
1	.05½	.02½	Spooner	......	(.03½ bid .... asked)			
25c.	.14	.10	Sunset Oil	......	(.09 bid .... asked)			
No	.04½	.03	United	......	(.04 bid .... asked)			
No	.04½	.03	Vanalta	......	(.03½ bid .... asked)			
1	.38½	.20	Vulcan	......	(.... bid .35 asked)			

*Quotations for 1940.

Winnipeg Stocks

(Transactions from Aug. 3 to Aug. 8)

	Sales	High for period	Low for period	Close Aug. 8
Cres. Creamery, pf.	10	11.00	11.00	11.00
Dom. Envelope	40	8.50	8.50	8.50
Do., pref.	10	96.00	96.00	96.00
Fed. Grain, pf.	10	30.50	30.50	30.50
Gr. West Life	5	190.00	190.00	190.00
United Grain	3	9.00	9.00	9.00
Western Brew.	10	1.52	1.52	1.52
Western Steel	50	7.00	7.00	7.00
Wingold	2,512	.08¾	.08½	.08¾

Stocks Not Traded in During Week*

	Bid	Asked		Bid	Asked
Beaver Fire	75	..	Nor. Can. Mtg. p.	5	..
Beav. Lumber, c.	3¾	5	Traders Bldg.	43	..
Can. Airways	1	..	West. Grain, p.	..	9
Corr. P. Box, c.	.60	.80	Wings vot. tr.	.38	..
Fed. Grain, c	.35	.50			

*Stocks more active on other exchanges not included.

Volume of Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
Aug. 12	4,700	10,600	199,000	......
Aug. 11	6,600	13,900	123,000	14,375
Aug. 9	3,100	5,500	101,000	14,325
Aug. 8	8,400	25,200	292,000	15,370
Aug. 7	8,900	24,200	339,000	17,865
Aug. 6	11,100	25,800	379,000	8,965

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

Dominion of Canada Bonds Aug. 12, 1941

%	Due	Bid	Ask.	Approx. Yld.
5	Nov. '41	100¾	101½	.70
1½	May '42	100½	100¾	.86
2	June '42	100¾	101½	.50
3	Oct. '42	102	102¼	.91
2½	June '43	101¾	102½	1.25
5	Oct. '43	106¾	107½	1.65
2	June '44	100¾	101½	1.55
a2½	Jan. '44	97½	98½‡	3.00
4½	Oct. '44	107½	108½	1.85
2½	Nov. '44	101¾	102½	1.72
a2½	Aug. '45	96½	97½‡	3.25
4	Oct. '45	104½	105	b1.72
4½	Feb. '46	109	109¾	2.21
3½	June '49	102¾	103½	b2.48
3½	Oct. '49	102½	103½	b2.45
3½	Nov. '51	101	101¾	b2.98
3½	Feb. '52	101½	102	b2.91
a5	May '52	101½	102½‡	1.62
4	Oct. '52	105¾	106½	b2.85
3	Oct. '52	98½	99½	3.08
3	June '55	98½	99½	3.07
4½	Nov. '56	107¾	108½	b2.83
4½	Nov. '57	108	108¾	b2.90
3	June '58	98½	99	3.07
4½	Nov. '58	108¾	109½	b3.02
4½	Nov. '59	109¾	110½	b3.05
a4	Oct. '60	100½	101½	b3.80
a3½	Jan. '61	91½	92½‡	3.80
3½	June '66	100½	101½	b3.15
a3e	Jan. '67	88	89‡	3.67
a3e	Nov. '68	88	89‡	3.63
†3	Perpet'l.	92	93	3.23

Dominion Guarant'd. Bonds
Can. Nat'l. Railways:

%	Due	Bid	Ask.	Yld.
2	Feb. '43	100½	101½	1.25
2½	Jan. '46	100½	101½	1.75
3	May '44	102½	103½	1.73
3	Dec. '50	98½	99¾	3.03
3	Feb. '53	98	99	3.10
3	Jan. '59	96¾	97½	3.17
*4½	Sept. '51	115	116	2.67
*4½	Feb. '56	115½	116½	3.10
4½	July '57	115½	116½	3.17

%	Due	Bid	Ask.	Approx. Yld.
*4½	June '55	117½	118½	3.15
5	Feb. '54	116¾	117¾	3.26
*5e	July '69	115	116	b1.20
*5e	Oct. '69	119	120	b2.79
*5e	Feb. '70	119	120	b2.83
Grand Trunk Pacific Rly.:				
3	Jan. '62	98½	99½	3.03
Provincial Gov't. Bonds				
New Brunswick:				
3	Oct. '51	89	92	3.93
3½	Aug. '49	92	94	4.15
3½	June '56	91	93	4.13
c4	Nov. '47	97	99	4.18
c4½	Apr. '61	100	102	4.35
c5	Jan. '60	103	106	4.52
Nova Scotia:				
3	Jan. '52	94	96	3.45
3½	June '56	93	95	3.69
3½	Nov. '50	98	99½	3.56
c4½	Sept. '52	106	107½	b3.14
c4½	Nov. '60	109	111	3.70
c5	Mar. '60	114½	116½	3.77
Ontario:				
2½	May '45	99½	100½	2.43
3	Apr. '48	99	100	3.00
3	Nov. '50	98½	99½	3.07
3½	Nov. '51	100	101	b3.11
3½	May '55	99¾	100¾	b3.17
*4	June '62	107	109	3.40
4½	June '50	108¾	109¾	3.22
*4½	Jan. '62	112	115	3.47
5	Oct. '48	110½	111½	3.23
*5	Dec. '60	119½	121½	3.47
5½	July '46	111	112	2.90
Ont. Hydro Commission:				
3	Aug. '48	99	100	3.00
3½	Feb. '53	100	101	b3.11
3½	Apr. '47	101½	102½	3.01
Prince Edward Island:				
3	Oct. '45	95	97	3.69
Quebec:				
3	Nov. '47	95	97	3.54
3½	Mar. '48	96	97½	3.69
3½	Mar. '59	94	96	3.81

[illegible]

*—Payable Can., N.Y. and £. b—Calculated to call date giving lowest possible yield. c—Payable Can. & N.Y. a—Payable N.Y. †—Callable on or after Sept. 15, 1966. ‡—Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e—Callable at a premium. §—N.Y. funds.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

Aug. 12, 1941

	Bid	Ask.
Industrials:		
Acme Farm., pf.	45	50
Andian National	29	31
Anglo C. Tel., A	8½	9½
Atlas Steel	18	..
Barrymore, pfd.	30	..
B. C. Pulp, c.	11	12½
Do., pfd.	65	69
B. C. Sugar	72½	74½
B. C. Tel., 1st p.	111	114
Burns & Co., a	5	6
Do., B	3½	4½
Can. Co-op. Wl.	8	..
Can. Ing. Rand	74	77
Can. Col. Air.	2½	3½
Can. Mot. L.A.B.	2¾	..
Can. Tube, 1st p	90	..
Chase, A. W., p.	18	20
Claude Neon, p.	4½	5½
Colonial Steam.	18	20
Copeland Fl. un.	12¾	14
Dom. Manuf., p.	60	65
Dunlop T. p. $25	21	23
East. Steel, pf.	..	20
Easy Wash. p $10	9½	10¾
Goderich Elev.	6¾	7½
Guelph Carp., c.	17½	20
Gurney Fdry., p.	½	1½
Hayes Steel, c.	9	10
Hi'land Dairy, p	48	51
Homewood San.	105	120
Kingst. Ship. un	31	32
Loblaw Inc., c.	10¾	12
Maritime Tel., c.	14½	..
Minn.&Ont. P. c	3¾	4½
M'row Screw, p.	102	..
Do., com.	10½	12
Moirs, pfd.	18½	21½
Mt. Royal H., c.	2½	3¾
Morrison Br. un	5½	7½
N. B. Tel., c.	10½	12½
Neilson, Wm., c.	10	..
Do., pfd.	100	..
N. Meth. Ldy. p	55½	58½
Ont. Tobacco, p.	17½	20
Pac. C. Term., c.	9½	10½
Prov. Paper, pfd	100	103
Ruddy, E. L., p.	22	25
Quinte Milk	2	3
Stand. Fuel, p.	55½	58½
Stedman, pf. $50	57	59
Sutton Horsley	1	1½
Tor. Carpet, c.	38	..
Do., pfd.	65	68
Un. F. Co-op.	2½	3½
Un. Steel A pf.	23½	25
Viceroy Mfg., p.	24	..
Do., com.	12½	..
Westons Hold.	3½	..
Trusts & Loan Stocks:		
Brit. Mtge.	125	135
Brockville Tr.	41	..
Capital Tr.	30	32½
Com. Fin., c.	2¾	3
Grey&Br. Tr. $30	44	46
Guaranty Trust	100	103½
Guelph & O. $50	50½	53½
Indust. Mtge.	25	..
Lambton Loan	30	33½
London & West.	34½	37
Midland Loan	14	16
Premier Trust	..	53
Sherbrooke Tr.	120	..
Sterling Trust	50	..
Traders Fin. A c	7	9
Do., A pfd.	76	79
Trusts & Gr. new	40	43
Victoria Trust	72½	76
Waterloo Trust	99	..
Insurance Stocks:		
Canada Life	380	400
Brit. Amer.	50	53
Canadian Fire	73	..
Confed. 30% pd.	136	141
Continental L.	35	40
Crown, fully pd.	250	257½
Dominion Fire	138	..
D. of Can. Gen.	115	120
Empire, 25% pd.	6	7
Excelsior 38% pd	70	73
Federal, 25% pd.	51	..
Great-West Life	192	202
Halifax Fire	15	16½
Imperial Life	290	297½
Manufac. Life	220	229
Monarch Life	22	25
National Life	20	24
Sov. L. 25% pd.	14	..
Sun Life	285	300
Tor. General	4½	5½
Wellington Fire	58	..
Western Assce.	40	43
Theatre Stocks:		
Allen's King. un	62	66
Do. St. Cath. un	51	..
Manuf. Theat. p.	29	31
Para. Kitch., p.	51	..
Do. Oshawa, c	8	10
Investment Trust Shares:		
Can. Investors	4	5
Inv. Found. un.	42	44
Sec's. Hold., pf.	18	21
United Corp., A	18	20
Do., B	4	5
Power Issues:		
Can. W. N. Gas	27	..
Do., pfd.	102	104
Gt. Lakes Pr., p	102	104
Int. Util. 1.75 p.	15	..
Do., $3.50 p.	33	..
Mtl. Is. Pwr., p.	40	..
Nor. Ont. Pr. p.	71	75

Unlisted Mines

Toronto, Aug. 12, 1941

	Bid	Ask
Albany R (Old)	.03	.04½
(New)	.08	.11
Amal Kir	.09	.10
Anoki	.04	.05
Aquarius	.15	.17
Arjon	.03½	.04½
Armistice	.15	.17
E Lacoma	..	.01
Eastward	.25	.35
Elmos	.07	.09
Franco	.25	.30
Galore	.01	.02
Can Cop	.04	.06
Gate Pat	.00¾	.01½
Gilbec	.00½	.01
Mata Con	.18	.21
McLellan	.21	.24
McMar'ac	.37	.40
MofHal n	.01½	.02
Mooshla	.01	.02
Mosher	.06	.07
McManus	.01½	.02
Nat Mal	.34	.36
Proprie'y	3.65	3.75
Predor	.06	.06¾
Queb Man	.12	.13
Rahn Lke	.00½	.01
Rand Mal	.07½	.08
Red Lake	.01	.02
Ribago n	.02½	.03½
Rouge Dor	.06	.08

[illegible]

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Aug. 12, 1941

[illegible]

*Payable in Can. or U. S.
†Payable in Can., U. S. or U. K.
*Payable in U. S.
§Payable in Canada only.
‡Traded without accrued interest.
▲Payable in Can. or U. K.

Supplementary Stock Quotations

(Furnished by Plaxton, Cherry & Co., Toronto)

Aug. 13, 1941

[illegible]

Investment Trusts

	Bid	Asked
Affiliated Funds	2.40	2.65
Can. Amer. Trust	3.00	3.45
Can. Inter. Trust	4.25	5.00
Can. Invest. Fund	3.20	3.55
Corporate Investors	5.50	5.95
Trans-Can.	9.60	10.50

Municipal Bonds

Aug. 12, 1941

	%	Due	Bid	Ask.	Yld. %
†Halifax	5	1961	113.00	116.00	3.85
Hamilton	5	1950	108.25	111.25	3.50
Montreal	5	1945	94.00	96.00	6.35
Ottawa	4½	1945	103.75	106.25	2.85
†Quebec	5	1959	106.00	109.00	4.27
Saint John	5	1950	103.00	108.00	4.21
†Toronto	4½	1955	110.00	114.00	3.22
†Vancouver	5	1950	100.00	102.00	4.78
Winnipeg	5	1944	102.00	104.00	3.61

†Payable Can. and N.Y.

Annual Meetings

Date	Company	Place
4	Agnew-Surpass	Brantford
25	International P. & P.	Boston

Mining Dividends

Company	Rate	Aug. 11	%
Anglo-Huronian	±10c	2.85	..
Aunor Gold	[illegible]	[illegible]	14.6
Castle Gold	80c+40c	[illegible]	*10.9
Alorne	[illegible]	[illegible]	15.3
Human Porc.	[illegible]	[illegible]	16.9
Buffalo Ankerite	[illegible]	[illegible]	15
Golden Gold	[illegible]	[illegible]	4.10
Cariboo Gold	[illegible]	.80	*12.2
Central Patricia	[illegible]	.40	..
Chibougamau Willans	[illegible]	.70	..
Coniagas	[illegible]	.05	..
Coniaurum	[illegible]	.30	12.3
Cons. Smelters	[illegible]	37.50	*6.6
Delnite	[illegible]	.77	..
Dome Mines	[illegible]	22.52	7.9
East Malartic	[illegible]	2.28	..
Falconbridge	[illegible]	3.35	..
Francoeur Gold	[illegible]	.49	..
Goldale	[illegible]	.12	..
Gold Belt	[illegible]	.25	..
Grandview	[illegible]	.15	..
Gunnar Gold	[illegible]	.25	..
Hallnor	[illegible]	3.90	15.3
Hard Rock	[illegible]	.79	..
Hedley Mascot	[illegible]	.50	..
Hollinger	[illegible]	12.50	*8.8
Howey Gold	[illegible]	.21	..
Hudson Bay	[illegible]	28.00	7.1
Inspiration	[illegible]	.25	..
Inter. Nickel, com.	[illegible]	34.12	5.7
Island Mountain	[illegible]	1.00	..
Jason	[illegible]	.37½	..
Kerr Addison	[illegible]	4.55	..
Kootenay Belle	[illegible]	.30	..
Kirkland Lake	[illegible]	.68	*17.6
Lake Shore	[illegible]	.25	..
Leitch	[illegible]	4.75	*11.5
Little Long Lac	[illegible]	14.75	9.5
Macassa	[illegible]	.48	16.6
Madsen R. Lake	[illegible]	1.90	..
Malartic Gold	[illegible]	3.90	*9.2
McGillivray Coal	[illegible]	.68	..
McKenzie Red L.	[illegible]	1.24	..
McIntyre-Porc.	$2.22+$1.11	.21	..
McLeod-Cockshutt	[illegible]	1.10	11
Moneta	[illegible]	.33	..
Naybob Gold	[illegible]	50.00	*6.6
Negus	[illegible]	1.90	..
Nipissing	[illegible]	.26	..
Noranda	$4	.60	..
North Empire	[illegible]	1.30	11.5
O'Brien Gold	[illegible]	55.00	7.2
Pamour Porc.	[illegible]	4.75	..
Pato Cons.	[illegible]	1.35	..
Pend Oreille	[illegible]	1.06	11.3
Perron Gold	[illegible]	2.55	8.6
Pioneer	[illegible]	1.70	..
Pickle Crow	[illegible]	1.54	*12.9
Placer Develop.	[illegible]	2.40	16.6
Premier	[illegible]	3.05	13.1
Preston E. Dome	[illegible]	8.50	14.1
Privateer Mines	[illegible]	.85	14.1
Quebec Gold	[illegible]	3.40	*8.8
Reliance Arlington	[illegible]	.49	..
San Antonio	[illegible]	.22	..
Sheep Creek	[illegible]	.02⅝	..
Sherritt Gordon	[illegible]	2.50	*8
Sigma Mines	[illegible]	1.00	16
Silbak Premier	[illegible]	.81	..
Siscoe	[illegible]	7.20	..
Sturgeon River	[illegible]	.85	18.8
Sudbury Basin	[illegible]	.53½	..
Sullivan Cons.	[illegible]	.16	..
Surf Inlet	[illegible]	1.50	..
Sylvanite Gold	[illegible]	.67	..
Teck-Hughes	[illegible]	.12	..
Toburn	[illegible]	2.45	..
Upper Canada	[illegible]	2.74	*16.4
Ventures	[illegible]	1.53	*11.1
Waite Amulet	[illegible]	1.84	..
Wendigo	[illegible]	4.50	..
Wright-Harg.	[illegible]	4.60	..
Ymir Yankee	[illegible]	.22	..
[illegible]	[illegible]	4.05	*17.2
[illegible]	[illegible]	.05½	..

*Yield including bonus. †Initial. ‡Paid or declared payable in 1941 to date.

Dividends Declared

Company	This payment	Date payable	Date of record
Agnew Surpass	40c	Sept. 2	Aug. 15
Do., extra	20c	Sept. 2	Aug. 15
Do., pref.	$1.75	Oct. 1	Sept. 15
Aluminium	$2	Sept. 5	Aug. 15
Do., pref.	$1.50	Sept. 1	Aug. 8
Amal. Elec.	■25c	Aug. 30	Aug. 15
Anglo-Can. Tel., p.	15c	Sept. 2	Aug. 15
Aunor Gold	4c	Sept. 3	Aug. 15
Bk. Can. Nat.	$2	Sept. 2	Aug. 15
Bk. of Montreal	$2	Sept. 2	July 31
Bk. of Toronto	$2.50	Sept. 2	Aug. 15
Bathurst P. & P. A	25c	Sept. 1	Aug. 15
Borden's	30c	Sept. 2	Aug. 15
Canada Dry	†15c	Sept. 24	Sept. 10
Can. Wire & C. A	$1	Sept. 15	Aug. 31
Do. B	50c	Sept. 15	Aug. 31
Canada Indust. c	$1.62½	Sept. 15	Aug. 31
Do., pref.	$1.50	Oct. 31	Sept. 30
Canadian Oil, pf.	$1.75	Oct. 15	Sept. 30
Candn. Oil Cos.	$2	Oct. 1	Sept. 20
Do. pref.	$2	Oct. 11	Sept. 20
Commoil	1c	Aug. 29	Aug. 15
Chesterville L.	5c	Aug. 20	Aug. 5
Can. Breweries, pf.	75c	Oct. 1	Sept. 13
Cor. Paper Box, p.	$1.75	Sept. 2	Aug. 15
Can. For. Inv., pf.	■$2	Oct. 1	Sept. 15
Can. Int. Inv. Tr., p.	50c	Sept. 2	Aug. 15
Canada Starch, c.	50c	Sept. 15	Sept. 8
Can. G. D. Sugar	■37½c	Sept. 2	Aug. 15
Dom. Foundries p	$1.50	Sept. 2	Aug. 20
Dom. Bridge	30c	Aug. 25	July 31
Do.Anc. Inv. p	$1.25	Sept. 1	Aug. 20
Dom. Scott. Inv., pf	■50c	Sept. 1	Aug. 20
Dom. Textile	■10c	Aug. 30	Aug. 1
East Malartic	4c	Aug 29	Aug. 14
Francoeur Gold / Gen. Sti. Wares, p.	$1.75	Aug. 20	Aug. 8
Granby Cons.	†15c	Sept. 2	Aug. 15
Hallnor Mines	15c	Sept. 3	Aug. 15
Int. Nickel	†30c	Sept. 30	Sept. 2
Lake of W. Mill., p.	$1.75	Sept. 2	Aug. 16
Loblaw A, B	25c	Sept. 2	Aug. 11
Loblaw Groc.	†20c	Sept. 1	Aug. 15
Louisiana Land	†10c	Sept. 15	Sept. 2
Laura Secord	20c	Sept. 1	Aug. 15
Kerr-Addison	5c	Aug. 28	Aug. 7
McIntyre Porc.	55½c	Sept. 2	Aug. 1
McKenzie Red L.	3c	Sept. 15	Aug. 30
Montreal Loan	31¼c	Sept. 15	Aug. 31
Nat. Biscuit, c.	†40c	Oct. 15	Sept. 16
Noranda	†$1.75	Aug. 30	Aug. 15
N. Y. Lt. & Pr. p.	$1	Sept. 15	Aug. 20
Ogilvie Flour, pf.	$1.50	Sept. 2	Aug. 15
Photo Engravers	$1.75	Sept. 2	Aug. 16
Perron Gold	50c	Sept. 2	Aug. 15
Do., extra	■4c	Sept. 22	Aug. 30
Pressed Metals	■1c	Sept. 22	Aug. 30
Paton Mfg.	†25c	Sept. 2	Aug. 15
Benington Rand	50c	Sept. 15	Aug. 31
East Malartic	$1.75	Sept. 15	Aug. 31
Prov. Bank	$1.50	Sept. 2	Aug. 15
Quebec Power	25c	Aug. 25	July 22
Remington Rand	†20c	Oct. 1	Sept. 10
Royal Bank	†$1.12½	Oct. 1	Sept. 10
Rolland Paper, pf.	$2	Sept. 2	July 31
Robin Hood Grain, p.	$1.50	Sept. 2	Aug. 15
Sylvanite Gold	$1.62½	Sept. 15	Aug. 31
Stuart, D. A. Oil, p	7c	Sept. 30	Aug. 16
Shaw. W. & Pr.	20c	Sept. 1	Aug. 15
Siscoe Gold	23c	Aug. 25	July 24
Toburn Gold	2c	Sept. 15	Aug. 16
Do., extra	3c	Aug. 22	July 22
Upper Can. Mines	1c	Aug. 22	July 22
Union Gas	4c	Aug 30	Aug. 15
United Fuel, p.	20c	Sept. 15	Aug. 20
Waite Amulet	75c	Oct. 1	Sept. 20
Walker-Good.	10c	Sept. 10	Aug. 18
Do. pref.	$1	Sept. 15	Aug. 22
Wilson Stat., pfd.	25c	Sept. 15	Aug. 22
Wright-Harg.	$1.25	Oct. 15	Sept. 30
Do. extra	10c	Oct. 1	Aug. 21
[illegible]	5c	Oct. 1	Aug. 21

*Payable in U. S. funds. ■Subject to approval of Foreign Exchange Control Board.

Chlorine Shortage Darkens Paper

From Our Own Correspondent

MONTREAL.—The fine paper industry faces further curtailment in the use of chlorine, The Financial Post understands.

Considered a vital war commodity, there is a strong possibility that Ottawa will be called upon to extend the 10% restriction already in force in the paper industry.

A plant is being erected to produce 8,000 tons of chlorine annually, but it will be some months before it is in operation. In the meantime war demand for the chemical is increasing and the supply is deemed inadequate to meet requirements of both war industries and the fine paper trade.

One official informed The Financial Post the Government would take all steps possible to avoid further restriction on its use by the paper industry, but if war needs called for it, further curtailment would be undertaken.

In the event of smaller chlorine supplies for paper manufacturers, the public "will have to use slightly darker papers," the official said.

Present 10% restriction on the use of titanium is not causing the fine paper industry embarrassment, a fine paper manufacturer stated. This metal is used in finishing fine papers, and is obtained in the United States.

DIVIDEND NOTICES

BANK OF MONTREAL

Established 1817

DIVIDEND NO. 313

NOTICE is hereby given that a DIVIDEND of TWO DOLLARS per share upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after TUESDAY, the SECOND day of SEPTEMBER next, to Shareholders of record at close of business on 31st July, 1941.

By Order of the Board

JACKSON DODDS, General Manager — G. W. SPINNEY, General Manager

Montreal, 22nd July, 1941.

The Bank of Toronto

Dividend No. 240

Notice is hereby given that a Dividend of Two and One-Half Percent, upon the Paid-Up Capital Stock of this Bank has been declared for the current quarter, and the same will be payable at the Bank and its Branches on and after the second day of September next, to shareholders of record on August 15th, 1941.

By Order of the Board.

F. H. MARSH, General Manager.

"CANADA DRY"

Dividend Notice

At the meeting of the Board of Directors of Canada Dry Ginger Ale, Incorporated, a Delaware Corporation, held August 5, 1941, a dividend of fifteen cents (15¢) per share was declared, payable September 24, 1941, to stockholders of record at the close of business, September 10, 1941.

W. J. WILLIAMS, Secretary

Noranda Mines, Limited

DIVIDEND NOTICE

Notice is hereby given that an interim dividend of $1.00 per share, payable in Canadian funds, has been declared by the Directors of Noranda Mines, Limited, payable September 15th, 1941, to shareholders of record at the close of business, August 20th, 1941.

By order of the Board,

J. R. BRADFIELD, Secretary.

Toronto, August 6th, 1941.

Sylvanite Gold Mines Limited

(No Personal Liability)

TO SHAREHOLDERS AND HOLDERS OF SHARE WARRANTS:

NOTICE OF DIVIDEND NO. 44.

TAKE NOTICE that a regular quarterly Dividend of 7%, (i.e. seven cents per share) on the outstanding capital stock of the Company, payable in Canadian funds, has been declared as Dividend No. 44.

Such Dividend will be payable September 30th, 1941, to Shareholders of record at the close of business August 16th, 1941.

In the case of Share Warrants such Dividend will be payable on or after September 30th, 1941, in respect of the shares specified therein, upon presentation and delivery of Coupon No. 44 at: The Canadian Bank of Commerce, Toronto, or any Branch of said Bank in Canada (far Northern Branches excepted), or Liberty Bank of Buffalo, Buffalo, N.Y.

By Order of the Board.

W. S. WALTON, Secretary.

TORONTO, August 7th, 1941.

Anglo-Canadian Telephone Company

Class A Dividend Notice

NOTICE is hereby given that a dividend of one and one-half per cent (1½%) has been declared on the Class A Stock of the Company, payable September 2, 1941, to Stockholders of record at the close of business on August 15, 1941.

By Order of the Board,

GEOFFREY PURDY, Secretary.

Montreal, August 8, 1941.

Hallnor Mines Limited

(No Personal Liability)

DIVIDEND NOTICE

Notice is hereby given that the interim dividend of Fifteen Cents (15c) per share, payable in Canadian funds, has been declared by the Directors of HALLNOR MINES, LIMITED (No Personal Liability), payable September 3, 1941, to shareholders of record at the close of business August 15, 1941.

By order of the Board.

J. R. BRADFIELD, Secretary.

Toronto, Ont., August 6, 1941.

WAITE AMULET MINES, LIMITED

DIVIDEND NOTICE

Notice is hereby given that an interim dividend of Ten Cents (10c) per share, payable in Canadian funds, has been declared by the Directors of WAITE AMULET MINES, LIMITED, payable September 10, 1941, to shareholders of record at the close of business, August 18, 1941.

By order of the Board.

J. R. BRADFIELD, Secretary.

Toronto, Ont. August 6, 1941.

Langley's Limited

DIVIDEND NOTICE No. 26

Notice is hereby given that a dividend of 50c per share on the outstanding paid up Seven per cent (7%) Cumulative Redeemable Preference Shares of the Company, which was declared by the Board of Directors at a meeting held on February 21st, 1941, will be paid on September 12th, 1941, to shareholders of record at the close of business on September 3rd, 1941.

By Order of the Board.

P. G. SHAY, Secretary-Treasurer.

Toronto, August 11th, 1941.

WE WILL BUY Nat. Grocers common at $4.25 per share net.
A. J. Pattison, Jr. & Co.
Royal Bank Bldg., Toronto
EL. 5101

C. P. R. May Close Offices in Japan

From Our Own Correspondent

MONTREAL.—Because of the Far Eastern crisis Canadian Pacific Steamships Co. is contemplating closing the company's offices in Japan, officials state. Traffic to Japan has been substantially curtailed since the outbreak of war because of shipping tonnage requisitioned by the British Admiralty and narrowing trade between the two countries.

Growers Wine Gross Higher

Net Profit Also Up in Spite of Higher Costs

From Our Own Correspondent

VANCOUVER — Gross profit on Growers Wine Co. in the fiscal year ended April 30, 1941, after deducting manufacturing costs, bottling, wages, supplies, etc., was $170,568, compared with $138,842 in the preceding year.

After excise and sales tax of $45,585 compared with $37,114 last year and after addition of $28 in transfer fees, the balance was $125,011; compared with $101,804.

The increase of $23,307 was sufficient, after providing $39,492 for administration and selling expenses, $12,629 for depreciation and $4,795 for loss on Lulu Island plant to permit the company to transfer $68,095 from the year's earnings to earned surplus. This was an increase of $11,728 over the $56,367 transferred to earned surplus the preceding year.

After setting aside $31,000 as a reserve for income taxes, compared with $18,000 last year, the balance available for dividends f[illegible]n the year's earnings was $37,0[illegible]. Dividends paid required $36,721, or 10 cents a share.

In the preceding year due to less taxation the company was unable to set aside a slightly higher sum.

Current Trends Of Construction

Trends of construction activity in Canada last month and so far this year, analyzed according to chief categories of projects started, are shown in the following tabulation by The Financial Post from the monthly building statistics of MacLean Building Reports:

CONSTRUCTION CONTRACTS AWARDED

	1941	1940	—Change—	%
First Seven Months	—Millions of $—			
Residential	53.8	38.0	+15.8	+42
Business	48.3	46.3	+2.0	+4
Industrial	58.5	29.7	+28.8	+97
Engineering	86.6	40.6	+26.0	+61
Total	247.4	154.7	+92.7	+60
July Totals				
Residential	8.4	5.5	+2.9	+52
Business	8.6	12.1	—3.5	—28
Industrial	8.7	5.9	+2.8	+47
Engineering	6.2	5.8	+0.4	+7
Total	31.9	29.3	+2.6	+9

Details of July Awards

	1941 $	1940 $
Apartments	422,400	471,400
Residences	8,056,500	5,050,300
Total residential	8,478,900	5,521,700
Churches	310,700	137,800
Pub. garages	379,400	216,100
Hospitals	406,900	168,500
Hotels, clubs	128,100	146,100
Office bldgs.	364,800	304,400
Public bldgs.	3,660,000	9,339,000
Schools	2,049,900	527,900
Stores	624,300	564,800
Theatres	68,700	142,500
Warehouses	591,200	520,200
Total business	8,584,000	12,067,300
Total industrial	8,691,000	5,878,900
Bridges	137,200	352,800
Dams, wharves	1,724,600	1,042,700
Sewers, w'mains	346,800	203,300
Roads, streets	1,673,300	4,013,900
Gen'l. engin'g.	2,319,000	225,000
Total engineering	6,200,900	5,837,700
GRAND TOTAL	31,954,800	29,305,600

New Building

WAR PROJECTS

Major construction projects initiated by recent contract awards of the Dept. of Munitions and Supply include:

Experimental station, Suffield, Alta., wood construction, $155,000.

Sewage disposal plant, Petawawa military camp, $50,000.

Air observers school, Quebec City, wood construction, $39,000.

Wood structures at Camp Borden, Ont., $70,000.

Reported by Engineering & Contract Record:

Algoma Central Railway Co. has awarded contract for car shop rebuilding programme, cost of building and equipment being estimated at $135,000.

Dept. of National Defense for Air is starting work on $1 million airdrome at Auburn, N.S.

Shawinigan Falls municipal authorities for the time being have deferred plans for construction of a $300,000 city hall.

Vancouver General Hospital plans to call tenders in about three months for $400,000 addition. Plans are being prepared.

Dominion Dept. of Public Works has awarded general contract for $270,000 stores building at the naval dockyard at Halifax.

Trans-Canada Air Lines has awarded general contract for $120,000 administration building at Dorval, Que.

Canadian Durex Abrasives Ltd., Toronto, is contemplating $300,000 extension project for its plant at Brantford.

Building Products Ltd. is adding to plant at Madoc, Ont.

Canadian Car & Foundry Co. plans to get work started soon on erection of addition to aircraft division plant at Montreal.

William Kennedy & Sons Ltd. is having plans prepared for $700,000 molding shop in connection with its steel casting plant at Owen Sound.

Sangamo Electric Co. has awarded general contract to Anglin-Norcross Ontario Ltd. for $150,000 plant addition at Leaside, Toronto suburb.

B. C. Plywoods Ltd. has awarded general contract for $500,000 plywood plant at Port Alberni, B.C.

Burt Business Forms Ltd. has let contract for erection of addition to factory in Toronto area.

The Bank of Nova Scotia

Dividend No. 287

Notice is hereby given that a Dividend of three per cent on the paid-up Capital Stock of this Bank has been declared for the current quarter to shareholders of record of September 15th, and that the same will be payable on and after Wednesday, the first day of October next, at any of the offices of the Bank in Canada.

By order of the Board.

H. D. BURNS, General Manager.

Halifax, N.S., August 12th, 1941.

Week in Wheat

Only Trickle of Wheat Coming Into Board

Winnipeg Part Sustained at Prices Substantially Above Initial Payment Basis of Wheat Board — But Deliveries Still Slight

From Our Own Correspondent

WINNIPEG.—Since the beginning of the crop year August 1, the Winnipeg wheat market has sustained itself at prices substantially above the level of the initial payment basis of the Canadian Wheat Board.

The difference in favor of the open market has been sufficient to prevent anything but a trickle of wheat being delivered to the Wheat Board.

Wheat taken to elevators by farmers has either been sold by farmers outright or placed in storage for their own account. As yet, however, total deliveries by farmers have been too limited to provide any test of the market's absorptive capacity.

Some observers doubt if the price differential in favor of the open market can be long maintained and argue that demand will necessarily so limited that the price is bound to go to a level that will result in most wheat deliveries being absorbed by the Wheat Board.

Canadian Wheat Cheap

Those who hold the contrary view point out that elevator congestion and the quota system of deliveries resulting therefrom will prevent any large quantity of wheat going into elevators for some months and that only a portion of such wheat will be disposed of by farmers, who to a considerable extent are likely to retain ownership for a time in order to see what may happen to the market.

They point out now cheap Canadian wheat is in comparison with price levels in the United States, approximately 50% more than on this side of the line. They point out that the United States, with a wheat carryover not far short of Canada's has produced an extraordinarily large crop and with practically no export outlets has a surplus much larger than Canada's.

If traders in the United States regard prices there as inviting, Canadian wheat ought to look extraordinarily cheap to them.

• • •

New Storage Ready

Movement of wheat into the new terminal annexes at the head of the lakes is now commencing on a large scale. About half of the 50 million bushels of new capacity has been completed and the remainder will be finished shortly.

The railways, anticipating the increased capacity, have allowed a considerable accumulation of grain in box cars and not until the unloading of these cars is completed will they be able to supply cars to country elevators at anything like the rate desired.

Under orders from the Wheat Board, movement of wheat is embargoed from any points where there is unused elevator space in any elevator. Movement of coarse grains remains unrestricted, almost a necessary condition if the present strong demand for oats and barley is to be reflected in prices paid in the country.

Move Feed Eastward

Recent dispatches from eastern Canada have suggested that there should be a carefully organized movement of feed grains from western Canada to eastern farms where feed is short and that if the movement is not got under way promptly, the early movement of coarse grains to market may result in a break in prices available to western farmers.

Westerners are inclined to believe, however, that it will take a continuance of strong prices to bring out supplies of oats and barley sufficient to satisfy the market, on account of the heavy feeding programme which has been undertaken by western farmers.

On that account and on account of the short crops in many areas there is far less uneasiness about continued market strength in coarse grains than was felt a month or six weeks ago.

• • •

See More Lower Grade

It appears likely that the crop will contain a much higher percentage of wheat lower in grade than No. 1 Northern than was the case last year. Some samples have been found to contain a percentage of green kernels, developed by late rains after the bulk of the crop had matured, while other samples show the effect of forcing from a long period of hot weather. As is usual in most years there may be a considerable proportion of No. 3 Northern wheat.

• • •

Lowest and Highest

The lowest estimate of the western wheat crop so far published is 287 million bushels, the highest 309 million bushels. Probably the mean of estimates of those familiar with the western situation is about 300 millions. Those who predict 325 millions are regarded as optimistic, and few persons will risk a guess at a higher figure.

New Books • • •

Shanghai Under War's Impact

ECONOMIC SHANGHAI: HOSTAGE TO POLITICS. By Robert W. Barnett. Published by Institute of Pacific Relations. Price $2.

Mr. Barnett, a member of the staff of the I. P. R., has published this study as one of a series of enquiries into the problems arising out of the conflict in the Far East. He reveals the tremendous changes that have taken place in this international city as a result of the Japanese war on China. He does not offer his own opinion as to the future of Shanghai but provides evidence upon which the reader may form his own conclusions.

The Nazi Technique

YOU CAN'T DO BUSINESS WITH HITLER. By Douglas Miller. Published by McClelland and Stewart, Toronto. Price $2.

The most convincing exposition of the ruthlessly dishonest business habits of the Nazi state that anyone has yet published is this brief but jam-packed book of facts by a man who sat at the commercial desk in the U. S. Legation in Berlin for 15 years. Mr. Miller dealt with the Nazis in thousands of business and investment transactions on behalf of American businessmen. He put up with their lies, their swindles and their subterfuges and kept his mouth shut. But he made a mental note of each of his experiences. He put them together to form a pattern and he tried to visualize what sort of a world the businessman of the United States, or Canada or the British Empire would operate in if Hitler won. Having sorted out his ideas, he has set them down here in a book that is almost frightening in its foreboding but wherein every allegation is supported by some one or more case histories to prove that it is a simple statement of truth.

There are a hundred incidents in Mr. Miller's book that one might quote but the real difficulty would be to select one that was any more revealing than any other. Together they prove, first, that there is not a single moral brick in the foundation of Nazi aims or methods; and not a chance in a million of the businessmen of other nations being able to compete with the Nazi slave state if Hitler won the war. If any reader thinks such conclusions are exaggerated let him read Mr. Miller's proof and be convinced.

Ottawa Valley, Cabbages and Kings

HOLIDAYING IN CANADA ON THE OTTAWA RIVER. By Rupert Broadfoot, K.C. Published by the author at Ottawa. Price $1.50.

Mr. Broadfoot has gathered together a somewhat baffling volume of assorted material about the scenic loveliness of the Ottawa Valley, Canada at war, the Queen's Canadian Fund for Air Raid Victims, bits of verse, editorials, etc. Much of the book is very attractive. It has no apparent plan but has an excellent purpose: to raise money for the Queen's Fund.

Quebec in Lead As Power User

MONTREAL.—Quebec has ousted Ontario as the largest firm power consuming province in the Dominion, a position which the latter occupied for several years. Since last January, Quebec has drawn away steadily from Ontario and now consumes around 12% more firm power than the sister province.

The trend of firm power consumption as between the two provinces for the first half of 1941 follows:

Firm Power Consumption—1941 (Thousands of kilowatt hours)

	Quebec	Ontario
January	[illegible]	871,948
February	820,783	[illegible]
March	884,684	[illegible]
April	914,076	[illegible]
May	[illegible]	[illegible]
June	930,189	815,901

Soo Canals Set Traffic Peak

July Established All-Time Record — 1941 Should Exceed 100 Million Tons

An all-time high record for freight traffic through the Sault Ste. Marie canals was established in July this year when 15.5 million tons were handled. July tonnage last year was 13.8 million tons.

The previous high mark was set in May this year when the tonnage exceeded 15 million tons for the first time in history, according to figures compiled by H. F. Hook, general superintendent of the American canal.

Total tonnage at the Soo this year to August 1 has reached 52.2 million tons. This compares with 40.8 million tons for the corresponding portion of last year.

Of the July movement this year the Canadian canal handled 269,078 tons and the American canal the balance. Of the total tonnage last month 13.7 million tons was upbound and 1.8 million tons downbound.

July traffic included iron ore with a new monthly record at 12 million tons, wheat with 39.9 million bushels, other grain 4.5 million bushels and flour 835,220 bbls.

It is said that this year's Soo canal traffic appears headed for an all-time peak, probably exceeding the 100 million ton mark. This would compare with 27.3 millions gross tons of freight handled for all of 1940 by the Panama Canal.

Commodity Prices Show Easy Trend

Markets Expect Increased Government Control of Prices

Commodity prices have shown an easier trend partly due to evidence of increasing government control being exercised.

Of four spot commodity price indices, three were easier with one higher. Changes were all small however. Dow Jones future index, however, was up almost three points over the previous week.

On the Canadian markets, hog prices were lower. With the approach of autumn it is expected the supply situation will be somewhat easier owing to increased production.

Rubber prices were slightly lower the markets awaiting action by the U. S. Government to regulate prices.

	Latest week	Previous week	Same week last yr.
Cattle	$9.50	$9.25	$8.75
Hogs	14.75	15.00	11.00
Copper, lb.	.12	.12	.10⅛
Cotton, lb.	.1697	.1760	.0987
Rubber, lb.	.22¾	.23	.20⅛
Silk, lb.	3.57	3.57	2.51
Sugar, raw, lb.	.0375	.0365	.0265
Wheat, Man. (bu.)	.73⅝	.72⅞	.72
Coffee, lb.	.1338	.1338	.0678
Hides	.15	.15	.10
Weekly Indices			
Canada (D.B.S.)	91.0	91.1	82.6
Do., Wood, Gundy	74.7	74.8	63.6
U. S. Labor	89.2	88.8	77.0
Dow Jones (future)	79.48	76.64	50.49
Fishers	96.2	96.5	81.0
Monthly Indices			
Canada (D.B.S.):			
Retail (June)*	110.5	109.4	104.9
W'sale (June)	90.0	88.5	81.6
U. S. (May)	84.9	83.2	78.4
Gt. Brit. (Apr.)	150.9	151.0	....

Note:—The base of indices is that 1926 equals 100. *Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price, Toronto. Copper-electrolytic, New York. Silk—Raw Kans. No. 1 coffee, Santos. Sugar—96 degrees centrifugal, c/f New York. Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis. Hides—No. 1 packer light.

U. S. Paper Plants Run Top Speed

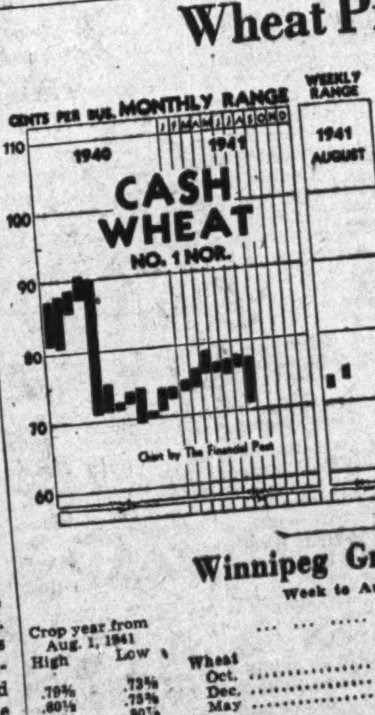
Industry Was Working Higher Than Rated Capacity

From Our Own Correspondent

MONTREAL. — Paper production in the United States continued to run in excess of rate of capacity for the week ended August 2, although it showed a slight decline from the preceding week. The American Paper and Pulp Association index of paper mill activities stood at 100.7% for the week ended August 2, against 101.9% in the preceding week and 87.4% in the week ended August 3, 1940.

In the U. S. paperboard industry output continued to rise, standing at 93% of capacity in the week ended August 2, against 92% in the preceding week. The July production rate for paperboard was 86% of capacity.

Wheat Prices



Cash Quotations

	Week High	Week Low	Prev. Week High	Prev. Week Low
Wheat: 1 Hard	[illegible]	[illegible]	.73⅛	.72⅛
1 Nor.	[illegible]	[illegible]	.73⅛	.72⅛
2 Nor.	[illegible]	[illegible]	.70⅝	.69⅝
3 Nor.	[illegible]	[illegible]	.68⅛	.67¼
4 Nor.	[illegible]	[illegible]	.67⅛	.65⅝
5 Wheat	[illegible]	[illegible]	.68⅛	.66⅞
6 Wheat	[illegible]	[illegible]	.68⅛	.66⅞
Feed	[illegible]	[illegible]	.67⅛	.65½
Oats: 2 C. W.	[illegible]	[illegible]	.43	.38⅝
3 C. W.	[illegible]	[illegible]	.40	.35⅝
Barley: 1 Feed	[illegible]	[illegible]	.49⅝	.46⅛
2 Feed	[illegible]	[illegible]	.48⅞	.45⅛
Flax: 1 C. W.	[illegible]	[illegible]	1.50⅛	1.41⅛
2 C. W.	[illegible]	[illegible]	[illegible]	1.36½
Rye: 2 C. W.	.56⅛	.54⅛	.55⅛	.53⅝

Winnipeg Grain Futures

Week to Aug. 11, 1941

Crop year from Aug. 1, 1941 High	Low		Open Aug. 5	High for week	Low for week	Close Aug. 11	Close year ago
		Wheat					
.79⅝	.73⅝	Oct.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
.80½	.75⅝	Dec.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
.82¼	.80⅞	May	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
		Oats					
.42¼	.30¾	Oct.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
.39⅞	.33	Dec.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
.40⅛	.38⅛	May	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
		Barley					
.51½	.41⅛	Oct.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
.50⅞	.38¼	Dec.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
.52¼	.50	May	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
		Flax					
[illegible]	[illegible]	Oct.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Dec.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	May	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
		Rye					
[illegible]	[illegible]	Oct.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Dec.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	May	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FEDERAL GRAIN LIMITED
OPERATING TERMINAL ELEVATORS • FORT WILLIAM • PORT ARTHUR • VANCOUVER
423 COUNTRY ELEVATORS THROUGHOUT THE WEST
101 COAL SHEDS
Our Service and Facilities Guarantee Satisfaction

TORONTO ELEVATORS LIMITED
Also Owning and Operating the Sarnia Elevator Co. Ltd.
Capacity: Toronto, 4 Million Bushels
Sarnia, 3 Million Bushels
The most modern facilities for the storage and transfer of grains, for grain conditioning, and for the production of MASTER FEEDS for Livestock and Poultry. MASTER FEEDS are endorsed and recommended by leaders in the livestock industry of Canada.
QUEEN'S QUAY - - TORONTO

McCABE BROS. GRAIN CO. LTD.
WINNIPEG, MAN.
Grain Commission Merchants — Shippers and Exporters — All Grains-Sacked Feeds
Country and Terminal Elevator Operators
Grain Merchandising
MANITOBA - SASKATCHEWAN - ALBERTA
Offices: DULUTH - MINNEAPOLIS

LAKE OF THE WOODS MILLING CO., Ltd.
Makers of FIVE ROSES FLOUR
Mills at
Montreal, Brantford, Keewatin, Portage la Prairie, Medicine Hat
DAILY CAPACITY 20,000 BARRELS
President FRANK S. MEIGHEN, C.M.G.
General Manager C. H. G. SHORT
Vice President HUGH MACKAY, K.C.
Directors
C. H. G. SHORT, JOHN W. HOBBS, HUGH MACKAY, K.C.
WALTER MOLSON, ISAAC PITBLADO, K.C., R. W. REFORD
ALPHONSE RAYMOND, PAUL F. SISE, G. W. ALLAN, K.C.
J. H. FILLMAN, FRANK S. MEIGHEN, C.M.G.
Secretary D. A. MacINNES
Treasurer R. R. HUTCHISON

GRAIN MERCHANTS
RECEIVERS • SHIPPERS • EXPORTERS
Owning and Operating Terminal, Transfer and Country Elevators
Capacity 12,500,000 Bushels
MEMBERS
Winnipeg Grain Exchange
Chicago Board of Trade
New York Produce Exchange
and other Exchanges
Head Office, WINNIPEG • Private wires connecting offices across Canada
JAMES RICHARDSON & SONS LIMITED
EST. 1857

B. C. Health Insurance Plan Seems Shelved

From Our Own Correspondent

VANCOUVER. — Although the British Columbia Government has made health insurance an issue at the last two provincial elections and in the last vote submitted a plebiscite on the subject, it is unlikely that action will be taken in the near future to put such a measure into operation.

The plebiscite submitted four years ago asking for a mandate to give effect to compulsory health insurance "progressively applied" was carried by a large margin, but the Government has moved cautiously in the matter and there has always been strong opposition in the caucus to health insurance.

Now Dr. G. M. Weir, minister of health and chief champion of the measure in the Legislature, predicts health insurance will be adopted nationally within two years.

Dr. Weir is still in favor of enforcement by the Provincial Government regardless of Ottawa's policy, but the mere fact that he foresees federal action in the future has strengthened the hands of opponents of health insurance here who argued all the time that Ottawa should take the initiative.

For that reason most of British Columbia's investment in preliminary planning for health insurance is likely to go for nought, although some means may be found of utilizing the machinery set up when the Government first contemplated a provincial system four or five years ago.

D/B
Complete Engineering, Plant and Erection Facilities are maintained across Canada to produce practically every type of steel structure and equipment.
DOMINION BRIDGE COMPANY LIMITED
HEAD OFFICE... LACHINE (MONTREAL) QUE.
Branch Offices and Works
OTTAWA • TORONTO • WINNIPEG • CALGARY • VANCOUVER
Agencies: REGINA • EDMONTON

Week in Mining

Trading is Responsive In Market Moves

Improved Volume and Activity Reflect Closer Reaction to News and Development of Mine Properties—Background is Better

Sharper response to property news and developments, first reflected in the mining market last week, carried over into the current week. O'Brien continued to hold the centre of the stage and Preston, Pioneer, Bonetal, Delnite and other issues recorded minor advances. Usually, gains go with increase in volume; and increase in volume is an indication of an improvement in the psychological background of the market.

At the first of the week, the golds and metals indices were off just a shade from the close of the Saturday before. Tuesday's close showed a decline of 0.35 in the golds index and 0.83 in the metals. Sales, however, showed an improvement at 199,000 over Monday's 123,000.

Fool's Gold

With the announcement by Noranda Mines in the semi-annual report that arrangements have been completed for the sale of the company's entire production of flotation pyrite concentrates, attention has been directed to the growing importance of this once-scorned industrial mineral.

It is said that what Sir Martin Frobisher brought back to Queen Elizabeth from the New World in the 16th century turned out to be "fool's gold."

While pyrites is a low value commodity, it is a strategic metal of tangible value in wartime.

No figures are published on the production of pyrites in Canada. At Aldermac, 1941 shipments, it is estimated in some quarters, will run as high as 200,000 tons. The Eustis mine, near Sherbrooke, Que., at last report was continuing to produce flotation pyrites concentrate. Considerable quantities of pyrites are produced at the Britannia mine in British Columbia.

The Eustis mine, incidentally, was discovered in 1865. It began shipping pyrite to the United States in 1888.

A large part of Canada's pyrite production goes to the United States. In the last year for which figures are available the United States imported a total of 524,430 long tons of pyrites, of which 91.8% came from Spain.

Disruption of shipping facilities has probably caused a drastic reduction in supplies available from Spain. This may account for the recent improvement in the market for pyrites.

Pyrites is important as a source of sulphur in the manufacture of sulphuric acid. In the peak year of War I, Canada produced 416,649 tons of pyrites which averaged $3.87 per ton. Of this output, 367,329 tons went to the United States.

* * *

First Dividend Payer

Bruce Mines, which has been taken over by the recently organized Frobisher Exploration Company, has its roots deep in the past.

Located east of Sault Ste. Marie, this property was discovered by an employee of the Hudson Bay Indian Department in 1844. Montreal Mining Co. bought the mine for £40,000 in 1847, it is said, and carried on work until about the middle of the century.

First dividend paid in the history of Canadian mining was disbursed by the Montreal Mining Co. in 1853.

Various attempts were made in the next two decades to put the mine on a profitable footing. An epidemic of cholera hampered operations. John Taylor of London, England, tried to reverse the tide of ill fortune, but the property had to close down in 1876.

Week in Oils

From Our Own Correspondent

CALGARY.—The Turner Valley crude oil producer may be getting a further substantial increase in the price he receives for his product and the prairie consumer is likely to see a further substantial increase in the cost of gasoline and other petroleum products, according to indications here.

The price situation is being brought to a head now, largely because the Dominion oil control moved too late and the Alberta Government moved not at all to encourage increased oilfield development and to thus ensure the Prairies of an adequate oil supply this fall.

Because of slackened drilling in recent months, Turner Valley faces a reduced run of completions during the fall, with the inevitable result that production is going to show a decline from the current level, and the field's output is going to be somewhat less than it was during the latter part of 1940.

At the present time, Prairie stocks of both crude oil and refined products are less than they were at the start of harvest last year. Because of Army and Air Force requirements, demand for oil products is somewhat larger than it was a year ago. All that adds up to a shortage, and a serious one. If all essential requirements are to be met, a million barrels or more are going to have to be found across the border. Maybe that much oil can't be found, but it is certain that such of it that is will be costly.

The impact of sizeable quantities of high-cost imported oil or refined products appears likely to smash what is here considered the artificial non-competitive price level that has prevailed in the Turner Valley field since the start of the war. It is estimated here that with the 27 cents per bbl. boost in prices effected July 16, the Turner Valley price is still around 53 cents under actual competitive value. In the opinion of men in the oil marketing business, Turner Valley oil prices will rise much closer to the competitive value, and perhaps be set at the competitive value, as soon as the field starts sharing with Montana oil the Alberta and Saskatchewan market.

Last month5s 27 cents per bbl. oil boost and 1 cent per gallon gas boost were, in the opinion of the oil industry, just the start.

* * *

Three New Operations

Turner Valley development outlook brightened this week with the announcements of two new independent drill-sites—the first to be staked in many weeks—and the announcement of another new Imperial Oil Group test. The new locations are as follows:

Gem Royalties No. 1, in L.S.D. 4 36-19-3w5, on the northerly part of the central west flank, between producers Anglo Phillips 2 and Argus 1. The well, for which preliminary work will start shortly, will be drilled under contract by the Union Drilling Co, using the heavy rotary rig last used to drill independent No. 1. Backers include "Red" Phillips, A. H. Mayland, Union Drilling Co. and unnamed Toronto interests. The royalty setup provides for Crown royalty (12½% if the recent Provincial Order-in-Council remains in effect); 10% gross to Sheep River Oils, and 2½% to others. Drilling is to be financed by an issue of 50% preferred net royalty, each 1% being preferred to $4,050.

Miracle Royalties No. 2, located in L.S.D. 6 4-21-3w5, on north extension of the field, quarter of a mile north of newly completed large producer Miracle No. 1. Location was surveyed Thursday, and preliminary work will start immediately. The well will be drilled with the heavy duty rotary rig used at Miracle No. 1. The contractor is Vanpeg Royalties Ltd. The backers are the A. H. Mayland Group of companies, who backed Miracle No. 1. It is expected finances will be obtained by issue of preferred net royalties, but exact details are not as yet available.

Now in steady production, Miracle No. 1 seems likely to rank among the largest wells in the field.

Royalite No. 62, sited L.S.D. 3 22-20-3w5, in the north section of the field, quarter of a mile due north of the field's deepest producer, Anglo Phillips No. 1. It is expected the well will be spudded in the near future, probably with the rotary rig now in use at the Royalite-Model No. 1, which is now drilling in the Madison lime.

* * *

Plan Expansion

G. B. Webster, assistant to Canada's Oil Controller, is now here to work alongside Dr. G. S. Hume in furthering the development of Alberta's potential oilfields. It is stated that he will make an effort to induce oilmen to drill wells in promising wildcat areas.

Dr. Hume, long the chief of the Dominion Geological Survey, will provide geological information to the drillers. Mr. Webster and Dr Hume conferred in Edmonton with Provincial Mines Minister Tanner. and presumably discussed steps that the provincial administration might take to encourage oilfield development.

* * *

Returns Climb

The Alberta oil industry started in the second half of 1941 with a gain in production of 1,184,677 bbls. and an increase in revenue from oil sales of $1,717,071 over the first half of last year, according to records compiled by the Conservation Board.

The Board reports June production of 802,323 bbls., with revenue from sales of $995,925.

This raises production for the period January 1 to June 30 to 4,775,515 bbls., with sales bringing a return of $6,040,809. For the first six months of 1940 production amounted to a total of 3,590,838 bbls., with sales bringing a return of $4,323,738.

Report Results For Arntfield

Crosscutting to the ore zone at the new 775-ft. level of the No. 2 shaft has intersected a mineralized band which gave over $7 across 7.5 ft. after two rounds had been taken out, Arntfield Gold Mines reports. Drifting will be carried east and west on this disclosure.

Drilling to test the downward extension of the ore body stoped on the 625-ft. level gave promising results, the deepest hole at about 950 ft. depth intersecting a true width of 7.5 ft. assaying $6.16. A crosscut is being driven on the 975-ft. level to reach the ore indicated by drilling. It is expected this drive will reach its objective in about three weeks.

At the No. 3 shaft it is reported that a good grade of ore has been intersected in agglomerate formation. Drifting is under way on this ore at the 675-ft. level and the last face gave 0.39 oz. per ton across 2 ft. and 0.68 oz. across 8 ft.

How Consolidated Got Pinchi

Here Are Real Prospectors Who Got Real Money

From Our Own Correspondent

VANCOUVER.—If George Neilson, who ran a little one-horse cattle outfit at Babine Portage, hadn't been such a friendly, generous soul, Consolidated Mining and Smelting Co. might never have developed its Pinchi Lake mercury deposits near Fort St. James into "the biggest quicksilver show in the British Empire."

The story of kind-hearted George Neilson goes back to the summer of 1937 when J. G. Gray and J. E. Armstrong, representing the Dominion Government's geological survey, went into the Fort St. James country and stopped at Neilson's camp.

Neilson's partner was a big, tough, easy-going fellow Scandinavian named Andy Ostrem, whom Gray and Armstrong employed as a cook. Andy welcomed the job because the going had been pretty heavy during the past few seasons and he badly needed a grubstake.

New Faces Enough

When the geologists needed a team of horses to help haul their equipment, Andy's partner Neilson offered his own and refused to accept pay for the service.

"Just seeing new faces around here is good enough reward for me," laughed Neilson. "Let the Government save its money."

When Gray and Armstrong returned to Ottawa and prepared their report they remembered their cook Andy Ostrem and his friendly partner. They mailed them a copy of their reports on the mineral-bearing deposits of the near-by Pinchi Lake country.

The two partners had prospected all through that region for years and they knew the ground, but Gray and Armstrong's report made it possible for them to see the picture again with skilled eyes. The report and the accompanying maps showed Ostrem and Neilson where there were definite showings of antimony and mercury and other ores.

No Hurry?

"Soon as spring comes we'll just have to go out and stake a claim," said Neilson. And then, just before spring broke, Neilson was kicked by a horse and couldn't budge from his camp.

Ostrem said there was no hurry. They were the only prospectors that knew about the mercury ground. They could wait until Neilson's injury mended.

But Neilson insisted that Ostrem go immediately. If he didn't, Neilson threatened to hobble along to the mercury ground on crutches.

So Ostrem went out and he staked three claims on Pinchi Hill, 700 feet above the shoreline of the lake. The cinnabar was described as amazingly rich and the showings indicated a large body of ore. News got out, even from that remote wilderness, and in August, 1938, Dan and Manuel Rottacker headed in. They prospected around Souchi and had fair success, but it was blind luck that brought them into contact with Neilson and Ostrem. They were preparing to return to Fort St. James when Joseph Mandy, resident engineer, who had flown in to examine an antimony deposit, offered to take them out, but only on condition that they would accompany him to Pinchi first.

Got More Claims

They spent a few days at Pinchi and Mandy, after examining the claims, said it was worth while, in view of the new demand for mercury, to stake more claims. In a dugout canoe the Rottackers and Ostrem, grubstaked by Frank Cooke and Lawrence Dickinson, set out for the cinnabar country and, after risking their lives in a blinding storm, managed to stake 10 additional claims. They didn't know until afterward that they had beaten a plane load of outside claim-seekers by a scant margin of hours.

And a few months later the little syndicate comprising Ostrem and Neilson, the Rottackers and their grubstakers sold out to Consolidated at a fat price. More than $1 million in mercury has been taken from the Pinchi claims since then, and Consolidated employs about 400 men there in probably the most spectacularly successful of all the Empire's mining enterprises developed since the war.

No wonder S. G. Blaylock, president and general manager of Consolidated, calls the Pinchi mine "the luckiest break in years."

Paymaster Output Up

While production of Paymaster Consolidated Mines in the fiscal year ended June 30, 1941, was nearly 7% more at $1,780,593 than the previous fiscal year, net profit amounted to $125,657, equal to 1.5 cents a share as compared with $138,360 or 1.6 cents.

In the year under review, however, total cost of sinking the winze, $129,747, was charged against the year's operations as against $9,994 for this work in 1939-40.

Other features of the annual report are:

Working capital advanced from $644,133 to $1,037,536, a gain of $393,403.

Ore reserves at June 30, 1941, amounted to 709,487 tons grading 0.233 oz. as contrasted with 708,943 tons averaging 0.228 oz. to the ton.

The 5-2075-1 winze was sunk from the 2,075-ft. level to 58 ft. below the 3,200-ft. level, a distance of 1,182.6 ft.

Application has been made to the income tax department for a fixing of the "standard profit" period, the company states. Until this amount has been determined the directors have considered it advisable to postpone payment of another interim dividend.

Development work to the east and north of No. 5 shaft on the 2,575-ft. level resulted in Nos. 8, 17, 18, 23 and 24 veins being partially developed. A new vein, No. 31, was located on the 2,575-ft. level. This vein is stated to have given very satisfactory results in diamond drilling and a crosscut to this area is under way. No. 10 vein was developed completely on the 1,400-ft. level and partially on the 1,575-ft. level.

At the 2,575-ft. level a connection was made with the winze from the No. 5 shaft; this winze is proceeding to a depth of 4,075 ft. An exploratory drive is being driven to the east on the 400-ft. level to develop a porphyry body indicated by surface diamond drilling.

During the 1941 fiscal year ore was principally drawn from stopes between the 1,050 and 1,575-ft. levels. New stopes were prepared for mining on the levels between the 1,575 and 2,075-ft. levels.

Income and Surplus Account
Years Ended June 30

	1941 $	1940 $
Bullion production ...	1,780,593	1,665,847
Add: Other income ..	23,533	23,906
Total income	1,804,126	1,689,753
Less: Diamond drill. .	64,965	42,764
Drifts & crosscuts ..	210,891	288,196
Sinking & stations .	129,747	9,994
Mining	584,059	548,125
Ore transport	17,540	17,346
Crush. & conveying	30,325	27,179
Concent. & extract .	193,773	159,223
Taxes & insurance..	14,142	12,701
Bullion mktg. chgs.	21,780	21,390
Mgmt., off. sals. & exps.	55,238	54,348
Guarding property .	8,473	8,565
Mis. gen. expense ..	39,653	31,894
Transfer expense ..	2,963	2,980
Directors' fees	1,167	1,633
Profit for year	429,410	463,415
Less: Depreciation ...	259,673	255,984
Prov. for income tax	44,081	‡69,071
Net profit	125,657	138,360
Less: Dividends	......	172,582
Surplus for year	125,657	*34,222
Add: Profit on secs. sold	4,924	......
Prof. on dispos. of plant	15,146	......
Prior year taxes....	27,135	......
Less: Prev. deficit ...	354,332	320,110
Develop. acct. w/o .	123,333	......
Deficit forward	304,803	354,332

*Loss or deficit. ‡Includes estimated excess profits tax.

Earnings per Share and Dividend Record:

Earned	$0.015	$0.016
Paid	nil	0.02
Shares Outstanding ..	8,629,090	8,629,090

Chesterville Past 900

Shaft sinking at Chesterville Larder Lake, to open up five new levels between the fourth level at 550 ft. and 1,175 ft., has now passed 900 ft. with stations cut at 675 and 800 ft. It is expected that sinking will be completed in October.

Levels will be established at 125-ft. intervals—675, 800, 925, 1,050 and 1,175 ft. Initial lateral development will be crosscutting north across the property to establish drilling stations on each level. Consideration will be given to a long exploratory crosscut to the northeast claim holdings of the company.

On the upper levels lateral exploration has opened up the "F" ore body on the third and fourth levels. This structure, located to the north, is the east extension of Kerr-Addison's No. 19 vein. On the third level drifting has disclosed 105 ft. across drift width of 0.12 oz. grade. The fourth level shows a 160-ft. length of 0.16 oz. grade with average width of 6 ft.

Stoping is under way on the third level in the "D" ore structure of quartz carbonate type. A length of 130 ft. running 0.11 oz. over 16 ft. is disclosed here. Drifting and horizontal drilling on the fourth level have disclosed an extension of 160 ft., 16 ft. in width, grading 0.17 oz.

At the beginning of the year, the mine had estimated ore reserves of 850,000 tons of 0.154 oz. grade. This represented four years' mill requirements at the current rate of production. Development disclosures in the "D" and "F" ore bodies on the third and fourth levels are maintaining the mine's proved reserves.

Northern Empire Sand River in Deal

Approval of an agreement whereby Northern Empire offers to advance $100,000 to Sand River to be repaid in the form of 5% production notes will be sought at a meeting of Sand River Gold Mining Company shareholders on Aug. 22.

Outstanding notes of Sand River, under the arrangement, will be paid immediately and Northern Empire will proceed to deepen the shaft to the top of the diabase sill. Notes amount to $72,000 plus accrued interest.

Eventually, a 1 million share company may be formed, if Northern Empire is satisfied that further work should be done. Northern Empire pays for the initial work.

In the new company, Northern Empire will get 748,000 shares and Sand River 252,000 shares. Shareholders of Sand River are to receive one new share for each 10 shares now held. The new company will issue income notes, for all amounts advanced by Northern Empire, and the notes will bear 5% interest payable out of net earnings of operations.

Noranda 6 Mos. Profit Higher

Noranda Mines six-month net profit showed an increase of $205,881 over the first half of 1940, this year's semi-annual report discloses. In the current year, estimated net profit was $5,383,600 or $2.40 a share as compared with $5,177,719, equivalent to $2.31 a share, in the first six months of last year.

Metal production and miscellaneous income amounted to $10,911,202 for the period ended June 30, 1941, as against $10,423,692 in the same period of last year.

Operating costs and taxes were $3,225,602 and $2,022,000 respectively, identical with the first six months of 1940. Depreciation charges were unchanged at $280,000.

Arrangements for sale of entire production of flotation pyrite concentrate have been completed, President J. Y. Murdoch states. This is a by-product, he explains, which was formerly wasted and on which a reasonable profit will now be realized.

Canadian Copper Refiners Ltd. is operating smoothly at capacity, Mr. Murdoch adds.

Eastward Mines Ltd., in which Noranda holds a controlling interest, is carrying out a diamond drilling programme on its property adjoining Upper Canada, the semi-annual report reveals. To finance this drilling, the company has agreed to purchase firm 150,000 shares of Eastward and has taken an option on an additional 1,350,000 shares at prices ranging from 40 cents to $1 a share.

Payment of dividends by Compania Minera La India, the company's Nicaraguan subsidiary, will be renewed in the last quarter of the year, it is expected. The mill is currently handling 275 tons daily.

New 200-ton mill of Empresa Minera de Nicaragua, in which Compania Minera La India holds 94% interest, went into operation on June 18 and it is expected that this property will prove a profitable one.

Results in the first six months of 1941 have been as follows:

Earnings Statement
Six Months Ended June 30, 1941

	$
Metal production & misc. inc. .	10,911,202
Less: Operating expenses	3,225,602
Reserve for taxes	2,022,000
Net income	5,633,600
Less: Depreciation	280,000
Estimated net profit	5,383,600
Est. Earnings per Share	$2.40

Int. Nickel Profit Down Slightly

Net profit of International Nickel for the six months ended June 30, 1941, amounted to $17,315,607 (U.S. dollars) equal after preferred dividends, to $1.12 per common share. This compares with $18,060,293 or $1.17 per share in the corresponding period in 1940.

Net operating profit increased from $32,651,907 in the first six months of 1940 to $38,001,328 in 1941, but this improvement was offset largely by an increase in provision for income and franchise taxes from $9,246,823 to $15,189,325. The latter amount equals $1.04 per common share.

Upward trend is indicated by operating profit rising from $18,274,104 for the March quarter to $19,727,224 in the second three months of the year. Net profit in the quarter ended June 30, 1941 was $8,075,898 against $9,239,709.

Tax provision in the three months ended June 30, 1941 amounted to $9,030,852 as compared with $6,158,473 in the first quarter. In the June quarter, tax provision gives effect to tax legislation enacted subsequent to the close of the March quarter and to anticipated tax liability under legislation pending at June 30. Provision for retirement system and other purposes was down from $1,013,856 to $687,992.

Earned surplus, which amounted after exchange adjustments to $73,286,210 at Dec. 31, 1940, had increased to $75,056,698 after similar adjustment at June 30.

Working capital increased $1,865,183 over the amount shown at Dec. 31, 1940. Principal improvement was that shown by government securities and accounts and notes receivable. Inventories were up $1,099,647 at $33,602,263.

Profit and loss and surplus accounts for six months ended June 30, with comparative figures for the first six months of 1940, are as follows:

Income and Surplus Account
Six Months Ended June 30

	1941 $	1940 $
Earns. from oper. ..	38,864,808	33,266,636
Less: Admin. & gen. exp.	863,480	850,645
Net oper. profit ...	38,001,328	32,415,991
Add: Other inc. ...	408,343	235,916
	38,409,671	32,651,907
Less: Depr. & depl.	4,202,891	3,676,199
Inc. & franch. tax.	15,189,325	9,246,823
Retire. system and misc.	1,701,848	1,668,592
Net profit	17,315,607	18,060,293
Less approp.:		
Pref. divds.	966,950	966,950
Com. divids.	14,578,169	14,578,169
Surp. for period ...	1,770,488	2,515,174
Add: Prev. surp.‡ .	75,747,752	71,293,217
Less: Exch. adj. in susp.	2,461,542	2,442,787
Balance forward ...	75,056,698	71,365,604

‡Before deducting exchange adjustment in consolidation in suspense.

Earns. per Sh. & Divd. Record:

Com: Earned	$1.12	$1.17
Paid	1.00	1.00

Working Capital

Current assets	108,501,675	103,597,701
Current liabilities ..	31,636,512	28,597,721
Working capital ...	76,865,163	74,999,980

Central Cadillac Going Lower

Production at Central Cadillac Mines for July amounted to $27,170 from 4,225 tons milled, an average of $6.43 per ton and 136 tons per day. The low tonnage treated during the month was due to sinking operations interfering with stoping and ordinary development work, J. H. Evans, resident engineer, states.

Shaft has been sunk from the fifth to the sixth level and the latter station is now nearly completed. It has been decided to cut levels at 75-ft. intervals, with every second one a main haulage level, on account of the flat veins encountered. On completion of sinking, main drives are to be extended west on the third, fourth and fifth levels.

To explore extensions of known ore, diamond drilling is being carried on. Recent drilling results extended the flat ore system to the west of present workings on the fifth level. Vertical hole No. 241, drilled from the fourth level, cut a 6-ft. section from footage 41.6 ft. to 47.6 ft. assaying $15.09 uncut and $11.24 cut. Hole No. 248 drilled from the same horizon ran $6.34 from footage 39.5 ft. to 48.8 ft. and low cut values with one of $21.70 from footage 73.9 to 97.8.

Kerr-Addison Enlarges Ore Tonnage on 1,300

Nearly 10,000 Tons to Vertical Ft. Expected With Further Development — Impressed With Disclosures Toward the West

Upwards of 10,000 tons per vertical ft. of ore at the 1,300-ft. level of Kerr-Addison Gold Mines is envisaged as a result of further development on the No. 17 ore structure and in the footwall zones to the west. The six ore bodies so far at this horizon disclose 8,474 tons per vertical ft.

An advance of 875 ft. has been made in drifting in the No. 21 ore body on the 1,300-ft. level. In the No. 15 ore body, on the same level, development advances have shown ore extension of 240 ft. over a width of 16 ft. of 0.267 oz. grade. Lateral development of the No. 17 ore body, located close to the east boundary, has not been completed.

The No. 21 ore structure has an east west extension of about 1,100 ft., averaging 46.1 ft. wide, making in excess of 4,500 tons per vertical ft. Closely-spaced holes indicated uncut grade of 0.209 oz. and cut grade of 0.175 oz. Car sampling of drift advance has returned consistently higher grade with an average of 0.249 oz. per ton indicated.

With a station cut at the 1,600-ft. horizon, the main shaft is being sunk from 1,500 ft. to 3,100 ft. to establish 10 new levels at 150-ft. vertical intervals. The shaft is now at 1,700 ft. and sinking should be completed in the latter months of 1942, when lateral development on the new lower levels will be undertaken.

Moving Laterally

Meanwhile, lateral exploration is proceeding on the 1,150 and 1,450-ft. levels. A main drift has been driven 1,600 ft. east to the boundary on the 1,150-ft. level and 1,000 ft. west from the shaft crosscut. Close interval drilling is now under way.

Crosscut from the shaft at the 1,450-ft. level entered the footwall at 510 ft. north characteristic dyke and quartz carbonate structure has been disclosed, with heavy shearing and mineralization. The crosscut is to be continued north and drifting east and west will proceed to establish drilling stations.

Recent disclosures to the west and in the footwall zones on the 300 and 700-ft. levels are considered to have decided significance as to grade and tonnage in this west section of the mine.

Drilling to the south of No. 15 ore body on the 300-ft. level has indicated the No. 26 ore body of quartz carbonate type in the footwall zone. With an east-west extension of 625 ft. the structure has an average width of 12.4 ft. carrying average grade of 0.266 oz. A crosscut is being driven to the south for later development.

South of the No. 10 or main ore structure, lateral development on the 700-ft. level has opened up new ore of large tonnage possibilities. Previous diamond drilling had disclosed the favorable carbonate structure with low or erratic gold values. The 7-10-C drift at 50 ft. south has been advanced 217 feet in ore of 0.396 uncut or 0.201 oz. cut grade. In this new south section there is now indicated a potential zone of 400 ft. extension over a width of 40 to 50 ft. Further exploration of this zone will be carried out on the 1,000 and 1,300-ft. levels.

West Important

Silling out and stope development of the No. 9 ore body has given new importance to this westerly structure. Car sampling from 60,000 tons mined has returned average grade of 0.248 oz. Present stope area is 34,000 sq. ft., an extension of 340 ft. averaging 100 ft. in width.

This ore body occurs west of the old No. 1 shaft, above the 300-ft. level. Initial development indicated widths of 70 to 100 ft. over a 350-ft. east-west extension carrying values of 0.18 to 0.20 oz. to the ton. The 309-W stope referred to above is being stoped over widths up to 140 ft. and the ore structure has not been definitely delimited.

Reflecting the extensive development programme under way stope and mine development costs are running $1.14 per ton out of total current operating costs of $3 per ton. Expansion of milling facilities is held warranted and should be achieved as mine development and preparation rounds out. Milling capacity has been increased to over 2,000 tons daily. An additional grinding unit installed recently will permit of finer grinding and improved recovery.

Mining Concentrates

Arntfield Gold Mines announces the election of R. V. Arntfield to the presidency to fill the vacancy caused by the death of Frederick S. Arntfield. D. J. Macdonald has been elected a director to fill the vacancy occasioned by the resignation of Richard E. Clemson of Pittsburgh.

* * *

Bidgood Kirkland output was lower in July due to a smaller tonnage milled:

1941:	Tons milled	Tons daily	Recov. per ton	Total recov.
July	2,733	88	$14.52	$39,670
June	3,369	112	13.87	46,721

* * *

Canadian gold production in May amounted to $17,293,622 from 449,185 ozs. as compared with $16,922,906 from 439,556 ozs. in the preceding month.

* * *

Dome Mines production was slightly higher in July:

1941:	Tons milled	Tons daily	Recov. per ton	Total recov.
July	52,100	1,684	$12.69	$660,948
June	51,300	1,710	12.86	659,942

* * *

Francoeur Gold Mines production in July showed a slight increase:

1941:	Tons milled	Tons daily	Recov. per ton	Total recov.
July	6,232	201	$7.61	$47,439
June ...	6,252	208	7.50	46,874

* * *

Hallnor Mines has declared an interim dividend of 15 cents a share payable Sept. 3 to shareholders of record Aug. 15. This is the third dividend of this amount distributed in the current year.

* * *

International Mining directors have deferred dividend action scheduled for September, but it is expected the question will be taken up at the November meeting. This is the second time this year dividends have been postponed.

Lower Canada Mines, holding property south of Upper Canada, has just completed a financing deal involving 1 million shares, which are to be taken up by Consolidated American Mines, Inc.

* * *

Noranda Mines has declared an interim dividend of $1 a share on the common stock, payable Sept. 15 to shareholders of record Aug. 20. Last previous payment was $1 a share paid June 16.

* * *

O'Leary Malartic Mines, it is announced, has sold 15 claims in Guillet township, Mud Lake area, to J. P. Norrie and associates and will surrender its charter. The claims adjoin the Belleterre property of McIntyre Porcupine Mines.

* * *

Relief Arlington Mines reports production for the months of June and July at $37.075 from treatment of 1,753 tons, for an average recovery of $21.15 per ton. For the two months, operating profit is estimated at $14,149. Operating profit for the year to date is reported at $40,489 as compared with $20,744 in the same period of 1940.

* * *

Wright-Hargreaves Mines has declared a 5-cent extra payable with the regular dividend of 10 cents a share on Oct. 1, 1941, to shareholders of record Aug. 21.

* * *

Wendigo Gold Mines production was slightly lower in June:

1941:	Tons milled	Tons daily	Recov. per ton	Total recov.
July	3,137	101	$10.55	$33,100
June	2,996	100	11.58	34,680

* * *

Waite Amulet Mines has declared an interim dividend of 10 cents a share payable Sept. 10, to shareholders of record Aug. 18. Previous payment was 10 cents a share made June 16.

Waite Earnings Move Upward

Increase 9.7 Cents in First Six Months of Current Year

Including $684,776 as its share of estimated profits of Amulet Dufault Mines for the first half of this year, net profit realized by Waite Amulet in the six months ended June 30, 1941, showed an increase at $747,248 or 22.6 cents a share over the estimated net of $425,712, or 12.9 cents a share for the corresponding period of 1940.

Metal recoveries and miscellaneous income amounted to $878,043 in the first six months of the current year as compared with $2,013,225 in the first half of 1940.

Operating costs and taxes showed decreases of $835,636 and $53,000 respectively, while depreciation charges and deferred development write-offs were down slightly. In addition, in the 1941 period, an amount of $122,000 was reserved for liabilities in respect of which relief may be obtained.

The mill is at present treating 900 tons per day for Amulet Dufault Mines and 300 tons daily from the company's property. At the request of the Canadian Metals Controller, President J. Y. Murdoch states the mill is being increased to treat an additional 300 tons of zinc ore per day. This ore will come from the zinc ore body at the Waite mine and as it contains neither copper nor gold, it is expected that, after allowing for depreciation of the mill extension, little profit will result from mining and treating this ore. It is expected the new extension will be in operation in October.

No settlement, Mr. Murdoch adds, has yet been effected of the price which will be received for copper sold under agreement with the British Ministry of Supply. Nor has settlement been made in regard to the company's 1940 excess profits tax.

Details of results the first six months of this year are as follows:

Earnings Statement
Six Months Ended June 30, 1941

	$
Metal recov. & misc. income ...	878,043
Less: Operating expenses	334,852
Reserve for taxes	90,000
Net operating income	453,191
Less: Res. for depreciation	102,000
Def. devel. w/o	165,719
Res for spec. liab.	122,000
Estimated net profit	62,472
Share est. net from Amulet Dufault	684,776
	747,248
Est. Earnings per Share	$0.226

Naybob Strikes A New Vein

A new vein has been cut, 40 ft. south of No. 3 vein, in diamond drilling at Naybob Gold Mines. Two holes have been drilled, 110 ft. apart, southward and downward from the west end of the 500-ft. level.

Complete returns from the first hole establish values of $31.63 across a width of 11.5 ft. Core from the second hole, just completed, disclosed considerable free gold, the company states.

Slashing of the shaft to three-compartment size from surface to 700 ft. is nearing completion. Plans call for continuing the shaft to a depth of 1,500 ft.

"... and there will always be a London"

Historically, London taught the world the rich enjoyments of a well filled pipe. Cultured Londoners demanded tobaccos worthy of their cultivated palates—and their tobacconists responded with the world-famous London mixtures. Through "Piccadilly", Canadians are made heirs to London's premier position in the world of smoking.

Foreign Exchange

During the week Aug. 4 to Aug. 11 there was no change in the quotation on the United States dollar at Toronto and Montreal which was $1.10 for buying and $1.11 for selling. The sterling rate likewise was unchanged at $4.43 buying and $4.47 selling. The rate is published daily by the Foreign Exchange Control Board.

Other Currencies, Aug. 11

Australia ...	3.58	S. Africa ...	4.47
India	.3372	Hong Kong .	.2519
N. Zealand .	3.61		

NORTH BRITISH
SUPERCHARGED

For EXTRA Length!
Perfected Product of Scottish Skill

The super-charged semi-liquid core of North British Balls expands internally after manufacture . increasing tension which puts extra yards on your drives! A combination process of hand and mechanical winding ensures perfect balance and flight. Top-spin, back-spin — North British Balls respond to every touch.

NORTH
IMPORTED FROM SCOTLAND
BRITISH
North British Rubber Co. Ltd. 384 King St. W. Toronto, Ontario

Let FROST FENCE Guard Your Plant

Here is one watchman that never sleeps, requires not even a minimum wage and will serve you faithfully for many long years. Service like that is worth any first cost — yet Frost prices have not advanced and still offer you the utmost in protection for every dollar of cost.

FROST STEEL and WIRE COMPANY LIMITED
Head Office: HAMILTON
Montreal Winnipeg

FROST CHAIN LINK FENCE

Are Mine Holding Company Shares Attractive?

New Exploration Policies and Better Earnings Suggest Improvement

By GORDON M. GRANT
Staff Writer, The Financial Post

Do dividend prospects make shares of mining holding companies attractive investments today?

For years, holding company shares may have been almost a drug on the market. They have sold at anywhere from two to one third of their "asset value" in cash and marketable securities. Distributions to shareholders have been relatively small and holding companies' shares appeared to lack attraction both from the speculative and investment-for-income points of view.

But holding company shares now seem to qualify better on both scores than for quite some time. War brought a curtailment of exploration for new properties and holding company earnings have not been dissipated in fruitless searches for new properties.

When new enterprises have been financed, they have been semi-proved in character and the risk of failure has been sharply reduced.

Information Means Profits

Holding company executives know the mining business and often have access to information not available to the general public. Anglo-Huronian, for instance, realized the important situation developing at Kerr-Addison Gold Mines some time ago. It built up a strong and profitable position in both Kerr-Addison and in Proprietary Mines which has also a substantial equity in Kerr-Addison.

Interpretation of mining news is all-important in successful mining investment, and that is the business of the engineer-executives of the mining holding company.

Holding companies dividends need not be so very high to represent a substantial return on capital. Dividends of practically every eastern Canadian mining operating company represent to a considerable extent return of capital. Holding company dividends, on the contrary, represent a real net return, including no return of capital.

In Better Shape Now

Practically all of the large mining holding companies are in a better position today than they were a few years ago. In spite of this, their share prices have moved but little higher. Holding company shares may not be selling much differently in break-up value than a year ago, but equity in earning power seems considerably greater. One of the phenomena of the present war has been the unusually high yields that have become available on a number of successful junior producers. In many cases their share prices seem to have been unable to rise as readily as earnings. Increased dividend distributions on "juniors," however, are beginning to be reflected in holding company income.

Write-Offs Lower

Remarkably few "duds" have been financed by holding companies since the outbreak of war. This has meant a much lower write-off due to unsuccessful promotions. It will be an important item in making up 1941 statements. War, of course, brought a reckoning on many old enterprises, many issues had to be written down, but by and large, much of this is now over.

In one or two instances the war has improved the position of holding companies. Mining Corporation of Canada is now doing much better with its base metal subsidiary, Normetal Mining Corp., in spite of the heavy taxation Normetal must bear. War has created a market for zinc, resulting in windfall profit from that metal. Ventures, on the other hand, was hit when Falconbridge Nickel Mines lost its Norway refinery. But Falconbridge Nickel dividend income has returned close to normal while the company has a liquid position that could stand the cost of building a refinery in this country if this proves necessary later.

All said and done, the war has done more harm to the market value of holding company investment portfolios than it has to their intrinsic value and earning power. New taxation has hurt holding companies but the damage to their position has been no greater than for most other companies. If any new "war effort" mines are financed to production, special taxation considerations will likely be allowed.

Here is the record of the larger individual mining holding companies:

Anglo-Huronian

Gradual growth in holdings of Kerr-Addison Gold Mines has been the main development in the Anglo-Huronian picture. At the last annual meeting, it was stated that holdings in Kerr-Addison Gold Mines were looked on as one of the company's principal and permanent sources of income. Directors are inclined to be secretive about Anglo-Huronian holdings but on May 22, The Financial Post stated that the Kerr-Addison share ledger showed a holding of 343,779 shares. At the Kerr-Addison annual meeting held not long afterward, André Dorfman, president of Anglo-Huronian, stated that his company held 400,000 shares. Besides its direct holdings in Kerr-Addison, the company is also stated to have a controlling interest in Proprietary Mines which owns over a million shares of Kerr-Addison. Proprietary has announced the intention to pass along Kerr-Addison dividends to shareholders, so Anglo-Huronian may receive as much as $200,000 a year revenue from this direction—or over 13 cents for each Anglo-Huronian share without taking into account direct dividends from Kerr-Addison at all.

In the year ended July 31, 1940, when Kerr-Addison paid no dividends, Anglo-Huronian showed earnings of 12 cents a share. With Kerr-Addison now expected to pay dividends at around 40 cents a share a year, direct and indirect revenue from this source may run $360,000 a year—or nearly 25 cents a share for each Anglo-Huronian share outstanding.

After a suspension of dividends from 1938, an initial dividend of 10 cents was paid by Anglo-Huronian on Dec. 30, 1940. This was repeated on July 31. In spite of higher taxation, it appears the company will be able to maintain dividends at 20 cents a share with no great difficulty.

Ventures, Ltd.

In the Ventures picture La Luz Mines is assuming just as important a position as Kerr-Addison is with Anglo-Huronian in aiding the company on the comeback road. When the third ball mill unit comes into operation this fall, La Luz Mines may well show earnings of $1.3 million a year with Ventures equity in profit working out at around $800,000 a year—or over 50 cents on each issued Ventures share.

The rest of Ventures share portfolio looks better. Falconbridge Nickel is again paying dividends. While dividend rate is only 20 cents a share against the prewar rate of 30 cents a share, the income received is a great boon for Ventures improving its own dividend prospect greatly. On the whole, dividend income from other companies has shown some increase.

Ventures earnings for 1940—with only 7½ cents a share received from Falconbridge Nickel Mines for the period—were still 32 cents a share. This year a larger amount will be received from Falconbridge while 1942 income should be bolstered by dividends from La Luz Mines. Ventures has a relatively low capitalization, 1,573,951 shares. Chief investment interests at the end of 1940 were as follows:

Company:	Shares held	% of outstand. capital
American Nepheline ..	886,318	78.88
Coniaurum Mines	1,430,000	51.68
Falconbridge Nickel ..	1,319,930	39.55
Hoyle Gold Mines	1,542,112	30.84
La Luz Mines	698,278	51.49
Matachewan Cons. ...	930,655	27.13
Sudbury Basin	1,049,110	62.10
Beattie Gold	2,020,167	41.97
Candn. Malartic	467,373	12.79
Lake Dufault Mines ..	969,500	43.86

Sudbury Basin Mines, in which Ventures has a 62.10% interest, owns the following shares:

Company:	Shares held	% of outstand. capital
Falconbridge Nickel ..	1,188,810	35.62
Hoyle Gold	471,774	9.43
La Luz Mines	280,787	20.71
Matachewan Cons. ...	936,172	27.29
Beattie Gold	47,400	.99
Candn. Malartic	882,882	24.18
Lake Dufault Mines ..	79,500	3.60

On conclusion of La Luz financing, it is stated that Ventures will hold 62.33% and Sudbury Basin 20.99% of that company's outstanding capital.

Mining Corporation

In many ways Mining Corporation of Canada was the least successful of the large mining holding companies for a number of years, partly due to poor mining luck. But this situation is being changed considerably at the present time, it appears. It is still too early to talk about dividends but in the next few years, a fair margin of earnings may reappear.

Jerome Gold Mines and Normetal Mining Corp. are the two bright spots in the Mining Corporation picture. Jerome—in which Mining Corp. holds well over half the issued shares—is scheduled to turn over its new 500-ton mill this month. Substantial ore reserves of about $7 grade have been blocked out and a $3 to $4 per ton operating profit seems not unreasonable, mining relatively wide ore sections. Mining Corp. may eventually get income of around $150,000 annually from this source, or about 9 cents a share on each Mining Corp. share issued.

Normetal Mining Corp., in which Mining Corp. holds 2,486,665 shares out of 3,757,012 shares issued, realized a $356,472 operating profit in the first half of 1941 against a $259,901 operating profit and $27,588 net loss for all 1940. If the present level of operating profits is maintained the balance of the year, bank indebtedness, which was $575,000 at the end of 1940, may be entirely liquidated, clearing the way for possible dividend action in 1942. If Mining Corp. could realize even 10 cents a share in dividends from Normetal, it would be equal to almost 15 cents a share on each Mining Corp. share issued. Part of the improved Normetal position is due to the war-stimulated demand for zinc but there has been real improvement in the values encountered at depth besides.

Backbone of Mining Corp.'s investment portfolio still remains its 81,287 shares of Hudson Bay Mining & Smelting Co., dividends from which allowed the company to show earnings of 3 cents a share last year.

Castle Trethewey Coniagas Northern Canada

Ventures, Anglo-Huronian and Mining Corporation are the largest of the holding companies which do not operate mines directly. Noranda Mines and Consolidated Smelters can claim to be holding companies, but they are still primarily operating companies. Besides these companies there are a number of smaller holding companies which have important assets such as Coniagas Mines, Castle Trethewey Mines, Northern Canada Mines, and Transcontinental Resources.

Coniagas and Castle Trethewey Mines have shown few changes in position in recent years. Coniagas reduced its semi-annual dividend rate from 12½ cents to 5 cents a share recently. Castle Trethewey is not paying dividends but has built up a really strong investment portfolio.

Northern Canada Mines retains a substantial block of Kirkland Lake Gold Mining Co. shares from which a substantial income is secured. The company is active in the exploration field in association with Coniagas Mines, Howey Gold Mines, and others. Transcontinental Resources is still young and has yet to establish the earning power of some of the larger holding companies. It has promising irons in the fire, however, which may make interesting news the next year.

Pamour's Net Works Down

Per Share Earnings 5.3 Cents in Half Year Against 7.2 Cents

Lower daily tonnage combined with payment of a war bonus since January 1, 1941, were largely responsible for smaller per share earnings of Pamour Porcupine Mines in the six months ended June 30, 1941, as compared with the same period in 1940. Estimated net profit in the first six months of 1941 was $263,100 or 5.3 cents a share against $361,555 or 7.2 cents a share in the corresponding period of 1940.

Mill heads during the 1941 period averaged the same as during the first half of 1940, namely 0.132 oz. per ton, but tonnage dropped from 1,600 tons per day in the first half of 1940 to 1,500 tons during the first six months of the current year. In the six months ended June 30, 1941, 272,088 tons were milled for average recovery of $4.67, contrasted with 292,781 tons for average recovery of $4.66 in 1940.

Production less marketing expenses amounted to $1,269,123 in the first half of this year against $1,349,143 in the same period of 1940. Gross income was $403,499 as compared with $501,955. This is after $125,300 reserved for taxes in the first half of the current year and $123,200 in the first six months of 1940.

Operating costs and taxes showed a combined increase of $25,524, while there was no change in the amount reserved for depreciation, $96,000, or deferred development written off, $44,400.

Broken ore in stopes at June 30, 1941, amounted to approximately 560,000 tons compared with some 355,000 tons at the year end.

Development work on the 400-ft. level at the west end of the property, according to President J. Y. Murdoch, continues to be encouraging. Work on the 600-ft. level to the west has been delayed due to a series of faults, while the drive west on the 1,400-ft. level is still a considerable distance from the ore zone.

Details of results the first six months of the year are as follows:

Earnings Statement
Six Months Ended June 30, 1941

	$
Production after mktg. expense	1,269,123
Less: Operating expenses	756,983
Reserve for taxes	125,300
Net operating income	386,840
Add: Other income	16,660
Less: Res. for deprec., est.	96,000
Def. devel. w/o	44,400
Estimated net profit	263,040
Est. Earnings per Share	$0.0526

Taxation Cuts Hallnor Net

Increase in taxation by $57,300 accounts for decline in per share earnings for Hallnor Mines in the six months ended June 30, 1941, as contrasted with the corresponding period of 1940. Estimated net profit in the current half year was $645,786 or 32.3 cents a share against $700,402 or 35 cents a share in the previous period.

Recovery per ton in the six months ended June 30, 1941, was $19.55, with a total of 64,333 tons being milled. In the same period of 1940 per ton recovery was $18.56, with a total of 68,333 tons milled.

Net earnings before depreciation and deferred development write-offs were $753,786 this year as compared with $807,402 in the 1940 period. Miscellaneous income showed a gain from $7,490 in 1940 to $13,323 in the period under review.

Operating costs were $334,949 in the 1941 six months period whereas they amounted to $329,767. Reserve for taxes was $182,000 this year as against $124,700. Depreciation charges showed a slight rise at $66,000 from $65,000 in the 1940 half year, while deferred development written off was the same at $42,000.

It is expected the station at the 2,160-ft. level will be finished by the middle of August, President J. Y. Murdoch states, after which a drift will be driven west in the hope of finding a new ore zone at this horizon.

Following 2,500 ft. of drifting and 15,000 ft. of diamond drilling which failed to disclose ore on the 1,560-ft. level, development on this level was stopped when shaft sinking began, Mr. Murdoch says. Subsequent diamond drilling from this level has not improved the situation. Early in April of this year, work was begun on sinking the shaft from the 1,560-ft. level to the 2,160-ft. horizon.

Results in the first six months of 1941 have been as follows:

Earnings Statement
Six Months Ended June 30, 1941

	$
Production after mktg. expense	1,257,503
Less: Operating expenses	334,949
Reserve for taxes	182,000
Net operating income	740,554
Add: Other nicome	13,232
Less: Res. for depreciation	66,000
Def. devel. w/o	42,000
Estimated net profit	645,786
Est. Earnings per Share	$0.3229

Inquiries invited regarding Canadian Industrial and Mining Investments. We specialize in the Dividend Paying Gold Mines and in new gold mining properties under present active and encouraging development.

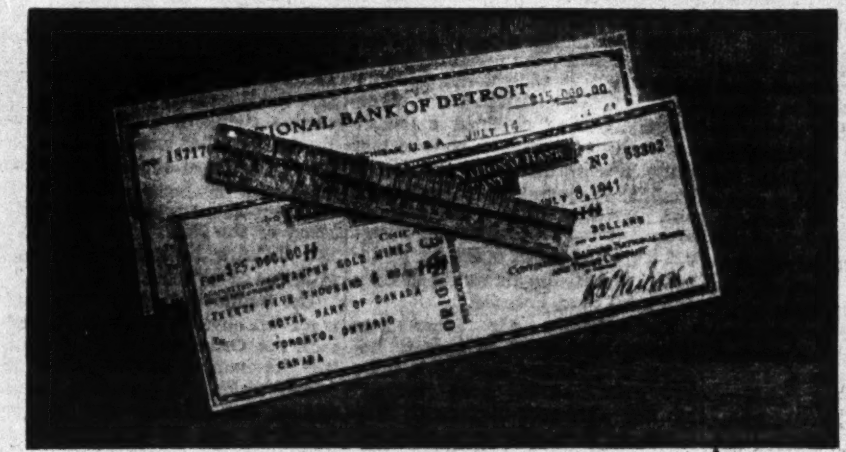
A. E. OSLER & COMPANY

Established 1886 Members The Toronto Stock Exchange
Osler Bldg., 11 Jordan St. Phone ADelaide 2431

LARGE CASH INVESTMENT FOLLOWS EXAMINATION OF WAMPUM BY U.S. ENGINEER

$40,000.00 CASH PAID OVER AS BIG CAPITAL INTERESTS FROM U.S.A. ENTER PICTURE

Company's Large Mining Plant Now in Operation As Big Shaft Heads for First Objective



Employed by wealthy private interests from the United States a highly experienced and qualified mining engineer completed an examination of the known gold deposits of Wampum Gold Mines and, since receiving his report, the interests concerned have invested $40,000.00 in the Company. This represents one of the largest and most important gold development investments in Canadian mining in recent years. Photographs of the 2 cheques are herewith reproduced.

Company Makes Few Shares Available to the Public at 30 Cents Per Share

Issue at this price being closed on or before August 26th, 1941.

SHAFT NEAR SOUTH (NO. 5) DEPOSIT

Having indicated two orebodies through an extensive diamond drilling program, a three-compartment shaft capable of handling 200 tons of ore per day has been recommended by A. H. Norton (mining geologist) and, accordingly, a large complete mining plant has been purchased, delivered, installed and is now in operation. The shaft is being sunk in close proximity to the South (No. 5) deposit where the drilling revealed splendid values and big widths. Values secured from the drilling of this south deposit ranged to $8.50; $10.75; $11.90; $13.85; $14.25; $16.15; $19.60; $23.10; $23.45; $30.40; $31.15; $39.25 and $58.10 per ton. (For details write for engineer's report.)

NORTH (NO. 1) DEPOSIT

A series of drill holes over a length of 100 feet and to a depth of 100 feet on the north (No. 1) vein returned average values of $26.95 per ton.

HIGH GOLD CONTENT FOUND IN FIVE PARALLELING VEINS

Mr. Norton has secured values up to $12.50 per ton on the surface of No. 2 vein, with values ranging from $16.94 to $36.94, $38.50 and $98.95 respectively from surface sampling of veins numbered 3 and 4; while heavy pannings of coarse gold have been obtained from vein No. 9. Two bulk samples over 49 square feet on the east end of No. 8 zone yielded an average of $50.00 per ton, while two bulk samples taken systematically along a length of 25 feet on a narrow veinlet on No. 8 zone, at the west end, yielded an average of $390.97 per ton.

RESULTS SELDOM EQUALLED

In his recent report the company's mine manager, A. H. Norton, states:
"Results of exploration and development to date have been most gratifying. The consistency of geological structure and gold values, I have to report, both from surface development and underground drilling down to depths of 375 feet, are seldom to be had in the early stages of the development of a new property. And it is my opinion that your company's property has passed the first milestone of development and that the completion of the present underground program planned will disclose a rapidly expanding ore picture."

VITAL WAR MATERIAL

Gold was labelled a "vital war material" by Hon. J. L. Ilsley, Minister of Finance in the Canadian government, in the course of an address introducing the Dominion War Loan campaign at Timmins early in September, 1940.
"The gold produced during peacetime," said Mr. Ilsley, "enabled us to pay off a great deal of our foreign debt and maintain the Canadian dollar among the strongest currencies in the world. Now in time of war, gold has become a vital war material for this country, since it provides us with great quantities of foreign exchange with which to buy war supplies in the United States.—We need the gold," he observed.

PROPERTY

34 mining claims, covering line of strike along the gold belt for a length of approximately 10,500 feet. Located at Wampum Lake, Ontario, 45 miles north of Fort Frances, under geological conditions similar to those of the Porcupine area. Entire property owned outright under the regulations prevailing in the Province of Ontario.

MANAGEMENT

The company is fortunate in having the full time services of Mr. A. H. Norton, B.Sc., Mining Geologist, who has had many years of experience with producing and non-producing companies in Ontario. Mr. Norton was formerly employed, for two years, under the Geological Survey of the Department of Mines of the Dominion of Canada.

CAPITALIZATION

$3,500,000.00 consisting of 3,500,000 shares of $1.00 par value each. In the treasury, 1,400,000 shares. The Company is completely free from debts of any nature—all operations to date, including the purchase and installation of the complete mining plant have been paid in full and the finances are on hand for the big sinking program.

REWARDS OF FORETHOUGHT

The following statement is quoted from a full page advertisement by the Ontario Department of Mines, in relation to mining in Ontario generally, which appeared in the Annual Number of "The Northern Miner", October 24th, 1940:

"The remarkable record of mineral production now held by Ontario is but a forecast. The future holds possibilities which will make past figures seem comparatively small. Men with forethought and confidence are right now, doing the raw bush work on the mines of tomorrow. To them will go the rewards of courage and industry."

WHERE TO BUY

Wampum has been brought to its present advanced stage through public as well as private support and, accordingly, it has been considered appropriate that a limited number of shares be offered (publicly) for sale, direct from the treasury, at 30 cents per share. This issue has already been partly subscribed for and, consequently, the number now available at this price is comparatively small. The issue at this price is therefore definitely being closed to the public on or before the 26th day of August, 1941. In the meantime, when oversubscribed, the issue may be closed without notice and in such case the company reserves the right to reject all or any part of any order received. Applications for the shares may be made on the form below and should be mailed direct to the head office of the company.

WAMPUM GOLD MINES LIMITED
(NO PERSONAL LIABILITY)
OFFICERS AND DIRECTORS

GEORGE E. GARE, President, Toronto, Ontario
W. L. MACNAMARA, Director and Treas., Toronto, Ontario
H. V. LEGGE, Sec., Toronto, Ontario
S. M. McDONALD, Director, Port Lambton, Ontario
D. I. JARVIS, Director, New Liskeard, Ontario
CHARLES E. REA, Director, Toronto, Ontario

Head Office — Montreal Trust Bldg. — Toronto, Can. — Telephone ADelaide 8514

To WAMPUM GOLD MINES LIMITED,
Montreal Trust Bldg., Toronto, Canada.

Without obligation kindly forward prospectus, engineer's reports in full and also advise me from time to time of any

NEW DEVELOPMENTS

Name ....
(Please Print)

Address ....

.... F.P.

This Contract is for treasury shares. In the event of oversubscription, the Company reserves the right to reject all or any part of this order.

To WAMPUM GOLD MINES LIMITED,
Montreal Trust Bldg., Toronto, Canada.

I hereby make application for ....shares of the capital Stock of WAMPUM GOLD MINES LIMITED (No Personal Liability) at 30 cents per share.

Enclosed please find the sum of ....Dollars

Dated this....................day of............................ 1941

Kindly issue and mail these shares to:

Name ....

Address ....

All Moneys to be paid direct to the Company.

O'Keefe's is better for you

O'KEEFE'S BEVERAGES LIMITED

Alberta Enters Business Of Poultry Marketing

From Our Own Correspondent

EDMONTON. — Alberta Government has moved into the poultry marketing business by acquiring a modern three-story produce plant in Edmonton and grading stations at 25 points throughout the province, Provincial Treasurer Solon Low has announced.

This action was taken following the Government's announcement it would direct marketing for Alberta poultry producers through the facilities of the poultry producers marketing board. No announcement was made of the purchase price on the Edmonton plant but it was believed valued at $41,000. It was owned by B. Wainberg and Co. Ltd., produce dealers for 27 years.

The plant is located on trackage, has cold storage facilities and is completely equipped to carry on all operations in marketing of eggs, live and dressed poultry.

Mr. Low announced the move by stating the poultry marketing plans approved by the producers last fall contemplated handling of all of the poultry products of the province through the board now established.

Board members are: C. E. Christensen, Edmonton dairyman, chairman; K. A. Kapler, Stettler; S. Roffel, Rockyford; A. G. Rix, Wetaskiwin; C. W. Traves, provincial poultry commissioner.

Valuable Work-aids Offered at Conference

Among features of the conference of the National Industrial Advertising Association which is being held September 17-19 in Toronto, are the following:

"Advertising Analysis," by Richard Manville. As advertising analyst for Newell-Emmett Co., Mr. Manville brings great experience in creating and dissecting copy. He is author of "How to Create and Select Winning Ads." His new book on Copy Testing and Copy Writing is due to appear this fall.

Walter A. Bowe, advertising and public relations manager, Carrier Corporation, Syracuse, will conduct a clinic on "Motion Pictures and other Visual Aids to Selling."

Visual advertising may be a matter of a few hundred dollars or many thousands. The study at the session will start with selection of a producer and go through to the use for selling, training or educational purposes. Only experience data will be presented.

Mr. Bowe majored in advertising and selling at School of Business, Columbia University. His experience includes work with John Wanamaker, General Electric and U. S. Steel Corporation.

Samuel E. Gold, sales and advertising manager of Lignum-Vitae Products Corp., Jersey City, will conduct a clinic on "Direct Mail."

Another conference is on "Industrial Photography," led by Edward W. Falcon, Warner & Swasey Advertising department head. He has taken courses in law, advertising and photography and is an active member of the Professional Photographers Association.

Industrial photographs taken by Mr. Falcon appear in a wide variety of publications.

Are Bush Flyers Facing Extinction?

New Rulings, Plus War, Hit Pioneers Hard

By RONALD A. KEITH
Editor, Canadian Aviation

Canada's northern air services, vital sinews in Canada's economic structure, are threatened with disintegration.

This is the immediate prospect, even though the spectres of bankruptcy and "pirate" competition have been banished, and despite Ottawa's avowal that the bush services must survive.

The bush routes fired the imaginations of North Americans in the pioneer days of commercial flying. In 1927 and 1928, men like "Wop" May, Leigh Brintnell and "Punch" Dickins were fighting the elements, flying the mail down the Mackenzie to Aklavik and Coppermine on the Arctic Ocean.

First the fur trade, then prospecting, and eventually thriving gold and radium mining settlements, born of aerial exploration, provided the payloads for the bush planes operating out of such centres as Edmonton, Winnipeg (Lac du Bonnet), Sioux Lookout, North Bay and Rouyn.

A Free-For-All

Fed by mining, the bush routes thrived for a time, and in the 30's Canada was carrying more airborne freight than any other country in the world. But despite this, the instability of northern operations threatened to wreck the bush routes. There was no accepted tariff schedule, which meant cut rates. There was no licensing of routes, which meant undercutting by "pirate" companies who followed the booms and robbed established operators of their legitimate business.

The furious competition for survival led to bidding down of air mail rates, until the mail revenues, normally a major sustaining income, dwindled to insignificance.

Then, under the Transport Act of 1938, the Board of Transport Commissioners was authorized to license all northern routes with a view to eliminating wasteful competition and stabilizing tariffs. This has been done. It has brought a measure of equilibrium to the business.

More recently, the Canadian Pacific Railway has acquired controlling interests in most of the bush services, relieving them of the financing bogey and further consolidating the overlapping services.

Disturbing Factors

But in spite of these measures, there are three factors disturbing the tranquility of the northern airline operators:

The protection supposedly assured by the licensing of routes under the transport commissioners now appears to be a delusion. By merely passing an Order-in-Council, the Government of the day can nullify the Board's authority and cancel the rights of any route licensee.

The operators are not assured priority in the purchase of maintenance and overhaul parts for their aircraft and engines.

It is still "open season" for raids on the trained personnel of the bush companies, particularly for licensed air engineers. It takes two years to "grow" a licensed air engineer. No air service can operate without qualified engineers to sign out the aircraft.

Here is part of the reason Canada's bush flyers are in trouble. Canada's military aviation programme needs all the air engineers it can get. Photo shows training craft in formation take-off at a Canadian field.

1. The Transport Act of 1938 provided for the licensing of air services in Canada, the announced purpose being to protect the operator from "pirate" competition. Supposedly, having obtained a license for exclusive operation of a certain route, a company could develop it confidently, investing in equipment and personnel without the prospect of having the props suddenly swept out from under this operating structure. Thus all the air routes in Canada have been licensed.

Trans-Canada Air Lines was granted License 57 to operate between Toronto and New York, these two points having been "named" by the Governor-in-Council. The Board of Transport Commissioners, consistent with its policy, interpreted this to mean that T.C.A. had the exclusive right to transport passengers and goods between the two points.

Confirmed This June

This interpretation was made clear in the Board's decree of June 13, 1941, awarding License 74 to American Airlines for operating exclusively on the Toronto-Buffalo route. The Board's judgment set forth its view that "the applicant is not authorized to engage in the transportation of passengers and goods between points where other licenses are in force, such as Toronto-New York."

Surprisingly, in a statement appended to the latter judgment, the Board explains that, subsequent to its decision, an Order-in-Council (P.C. 4420) has been passed rescinding the naming of the two points, Toronto and New York. Therefore, says the Board, its ruling on the exclusive rights of T.C.A. no longer applies. In other words, the authority of the Board of Transport Commissioners has been nullified by an Order-in-Council, presumably sponsored by the Minister of Transport, and T.C.A.'s license is no longer effective on a "sole rights" basis.

The implication of this precedent is all too obvious to the bush operator. An Order-in-Council, rescinding the naming of the points between which his operating license applies, can suddenly and arbitrarily strip him of any protection, without warning and without appeal.

Can't Get Equipment

2. The second and more immediate worry of the northern operator concerns priorities. Aircraft and engines must be overhauled at regular specific intervals. Their moving parts in particular have limited lives.

Unless some arrangement can be made to secure priority listing for the commercial operators, especially for purchase of parts and materials in the United States, their present inadequate supply of serviceable aircraft will diminish to the vanishing point.

There are indications that appeals to Ottawa on behalf of the operators are receiving some attention. But in the meantime, aircraft are idle.

One operator has had an otherwise airworthy plane tied up since last February waiting for a new propeller, on order but undelivered since before that date. The matter of securing priorities is considered by the operators to be necessary to their survival.

Raids on Personnel

3. Trained men in bush aviation are almost as rare as they are indispensable. This applies particularly to licensed air engineers who must have at least two years' practical experience as part of their qualification. The aircraft manufacturers, Trans-Canada Air Lines, and the civilian-operated R.C.A.F. training establishments are protected by law against the luring of their skilled men to other jobs.

The bush operators, already suffering acutely from wholesale movement of their best air engineers to Air Force, flying school and airline jobs, still have no protection against further inroads on the remainder. If the trend continues, it is pointed out, they will have no qualified engineers to sign out their aircraft, which means their wings will be frozen.

The most and the best of the qualified air engineers in the country today owe their training to the bush services. The demand for their type will continue to increase. It is being suggested that the best solution of this basic problem could be attained by the Government commissioning the bush operators to train air engineers for all requirements. At any rate authorities claim that unless the operators are placed on the "hands off" list, they will have to fold up for the duration.

Big Plane Orders Placed With Canadian Companies

From Our Own Correspondent

MONTREAL.—Contracts for more than 1,000 war planes have been awarded Canadian aviation companies, Hon. C. D. Howe, Minister of Munitions and Supply, has announced. Cost of the planes is estimated at $25 millions.

As forecast by The Financial Post, one of the largest orders will go to Canadian Car and Foundry Co., which is manufacturing Hurricane fighters at its Fort William plant. Plans to allot this firm orders for Consolidated four-motor bombers recently fell through.

The current order is for 400 more Hurricanes. When this has been completed, Canadian Car will turn out North American Harvard trainers at the rate of 80 planes monthly for an indefinite period.

An additional order for 500 Harvards has also been given to Noorduyn Aviation Ltd., Montreal.

Mr. Howe stated these contracts will keep Canadian Car and Noorduyn working well into 1943.

$60 Million Orders

As it is expected production of the Harvards in the United States and here will exceed British and U. S. requirements, considerable speculation is centred around where the surplus output will go. It has been suggested the United States will take over the planes for China, the Netherlands East Indies and Russia.

Total plane orders placed in Canadian plants in recent periods amount to $60 millions. In addition to the newly announced orders, National Steel Car Corp. is working on a $27.5 millions order for 200 Martin B-26 bombers at its Malton, Ont., plant; and Canadian Vickers Ltd., Montreal, has received an order for $7.4 millions, covering 39 PBY Consolidated bomber - reconnaissance plane airframes.

Canadian Air Traffic Shows Steady Rise

Aviation passenger traffic in Canada is growing steadily, according to figures released by the Dominion Bureau of Statistics.

According to the bureau, passengers carried on all lines in April totalled 12,507, compared with 11,884 in March. There were 4.2 million passenger miles flown in April, compared with 3.5 million miles in the preceding month.

Passenger revenue gained $35,335 or 15% in April over March to $275,461. But mail revenue decreased by $72,323 to $260,355.

Public Utility Earnings

East Kootenay Power

June	1941 $	1940 $
Gross earnings	57,494	51,108
Less: Oper. exps.	18,954	17,951
Net earnings	38,540	33,157
Three Months Ended June 30		
Gross earnings	159,987	150,278
Less: Oper. exps.	53,907	51,378
Net earnings	106,080	98,900

PROFESSIONAL DIRECTORY

CHARTERED ACCOUNTANTS

Ronald, Griggs & Co.
Chartered Accountants
WINNIPEG
SASKATOON

FREE Subscribers to The Post, by mail, are entitled to the privileges of the Investment Enquiry Service. Subscription price — $5 a year.

WILTON C. EDDIS & SONS
Established 1895
CHARTERED ACCOUNTANTS
Federal Building, Toronto

THORNE, MULHOLLAND, HOWSON & McPHERSON
CHARTERED ACCOUNTANTS
E. J. HOWSON, R. S. McPHERSON, Licensed Trustees — FEDERAL BUILDING TORONTO — GALT KITCHENER

CHARTRE, SAMSON & CO.
Chartered Accountants, Licensed Trustees and Receivers
Successors to
LaRue & Trudel and Samson, Knight & Co.
MONTREAL QUEBEC ROUYN

MILLAR, MACDONALD & CO.,
Chartered Accountants
WINNIPEG, MANITOBA

McDonald, Currie & Co.
Chartered Accountants,
Licensed Trustees & Receivers
MONTREAL TORONTO QUEBEC OTTAWA

RUTHERFORD WILLIAMSON & CO.
Chartered Accountants
Rutherford Williamson, F.C.A. — Harold A. Shiach, F.C.A.
D. J. Sales, C.A. — W. F. Gibson, C.A.
TORONTO — MONTREAL
Licensed Trustees and Receivers
Rutherford Williamson, F.C.A. — F. R. McCutcheon, C.A.

CLARKSON, GORDON, DILWORTH & NASH
CHARTERED ACCOUNTANTS
15 Wellington Street West, Toronto
Toronto—Montreal—Hamilton—Winnipeg—Vancouver
E. R. C. CLARKSON & SONS
Licensed Trustees and Receivers
15 Wellington Street West, Toronto

CONSULTING ENGINEERS

THE GENERAL ENGINEERING COMPANY
(CANADA) LIMITED
ENGINEERING CONSTRUCTION
OPERATION OF INDUSTRIAL PLANTS
100 Adelaide St. West — WA. 8605 — Toronto

Shoemaker & Burnham
CONSULTING ENGINEERS
Specializing in Mill Design, Metallurgy, Power and Mining Plants.
Room 1201-1207
45 Richmond St. West,
Toronto, Ont.
Waverley 4466

DEPENDABILITY
Its ability to get the news and interpret it accurately is what leads wise investors in Canadian securities to rely each week on
THE FINANCIAL POST
$5 One Year — $2.50 Half Year

LEGAL

W. M. COUPER, K.C.
Advocate, Barrister, Etc.
486 St. John St., Montreal
Tel. Marquette 3005

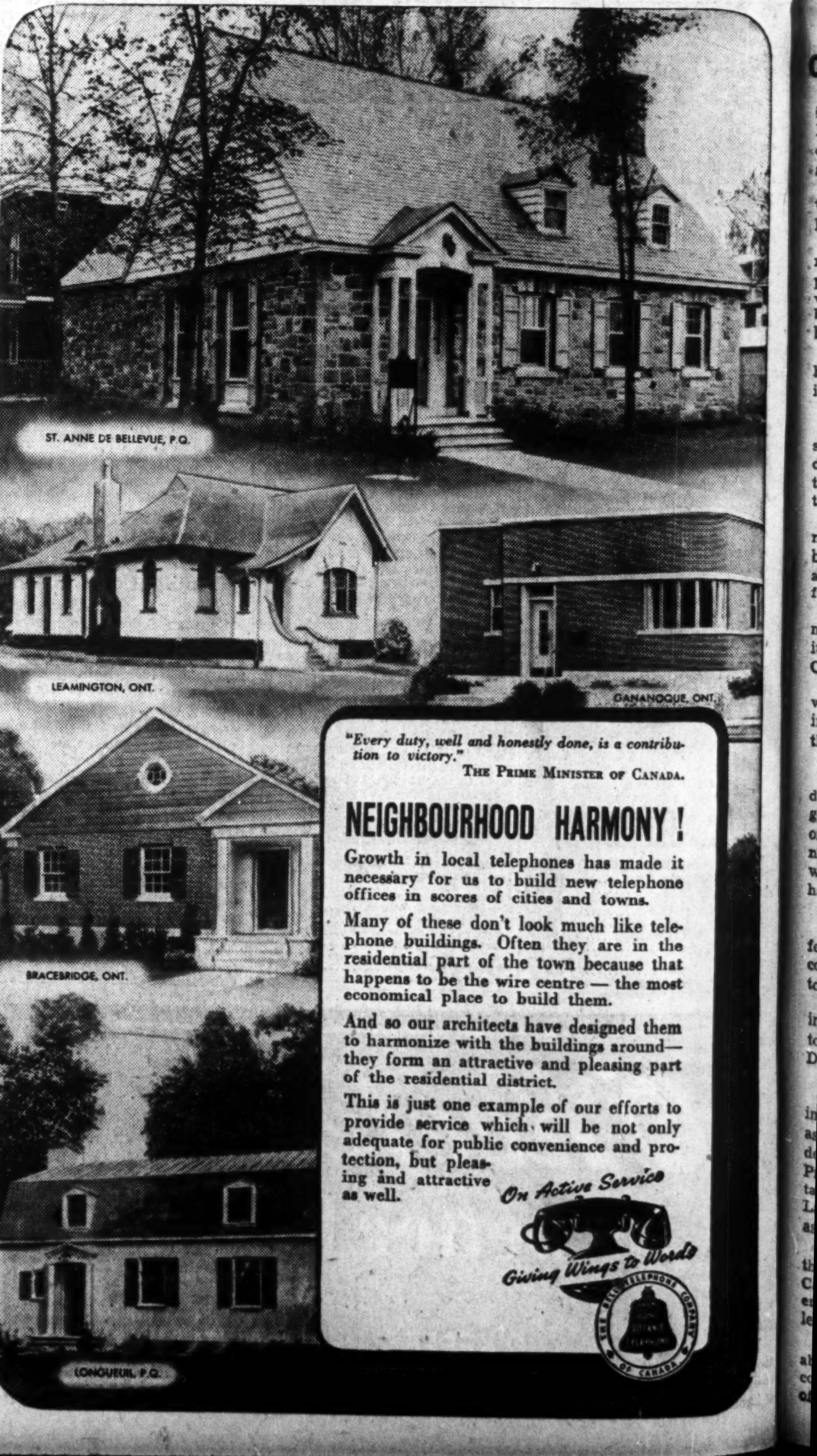
KEEPING POSTED
by reading The Post every week is the secret of success for successful readers of The Post. Every week, by mail, $5 a year.

Pitblado, Hoskin, Grundy, Bennest & Drummond-Hay
Pitblado, Hoskin, Turner, McEwen & Alsaker
Barristers, Solicitors, &c.
Winnipeg, Manitoba

YOUR HEIRS WILL BENEFIT
When you apoint a permanent, experienced trust company as executor of your estate, you know that your dependents will be protected against unnecessary legal expenses and unwise investments and assure the economical administration of your will.
We Invite Consultation
MONTREAL TRUST COMPANY
Montreal Trust Building
61 Yonge Street Toronto
J. F. HOBKIRK, Manager

Increased Values Call for Increased Insurance
● Replacement values of commodities and properties have gone up in recent months . . . Insurance protection, which was sufficient a year ago, may be inadequate today . . . Telephone your nearest Employers' representative. Without obligation, he will gladly discuss your insurance position with you.
THE EMPLOYERS' LIABILITY ASSURANCE CORPORATION LIMITED
THE EMPLOYERS' ASSURANCE
MONTREAL TORONTO
WINNIPEG CALGARY VANCOUVER
Fire and Casualty Insurance

Plan your FUTURE SECURITY Now!
ASSURE your future financial independence by using a systematic saving plan that has stood the test of nearly half a century of uninterrupted and successful service. This plan, operated under rigid statutory control, is now helping thousands of Canadian men and women with a definite program for a secure financial future.
And in helping yourself under this plan you also help protect your country. Monies paid by contract holders are invested in Canadian bonds and other securities to promote the strength of Canada's war effort.
Write our nearest branch today for full information on how this plan can be adapted to your needs.
INVESTORS SYNDICATE OF CANADA LIMITED
Head Office: Winnipeg, Man.
Branch Offices at:
St. John, N. B., Three Rivers, Que., Montreal, Que., Toronto, Ont. Hamilton, Ont., London, Ont., Ottawa, Ont., Fort William, Ont., Regina, Sask., Saskatoon, Sask., Edmonton, Alta., Calgary, Alta.



"Every duty, well and honestly done, is a contribution to victory."
THE PRIME MINISTER OF CANADA.
NEIGHBOURHOOD HARMONY!
Growth in local telephones has made it necessary for us to build new telephone offices in scores of cities and towns.
Many of these don't look much like telephone buildings. Often they are in the residential part of the town because that happens to be the wire centre — the most economical place to build them.
And so our architects have designed them to harmonize with the buildings around—they form an attractive and pleasing part of the residential district.
This is just one example of our efforts to provide service which will be not only adequate for public convenience and protection, but pleasing and attractive as well.
On Active Service
Giving Wings to Words